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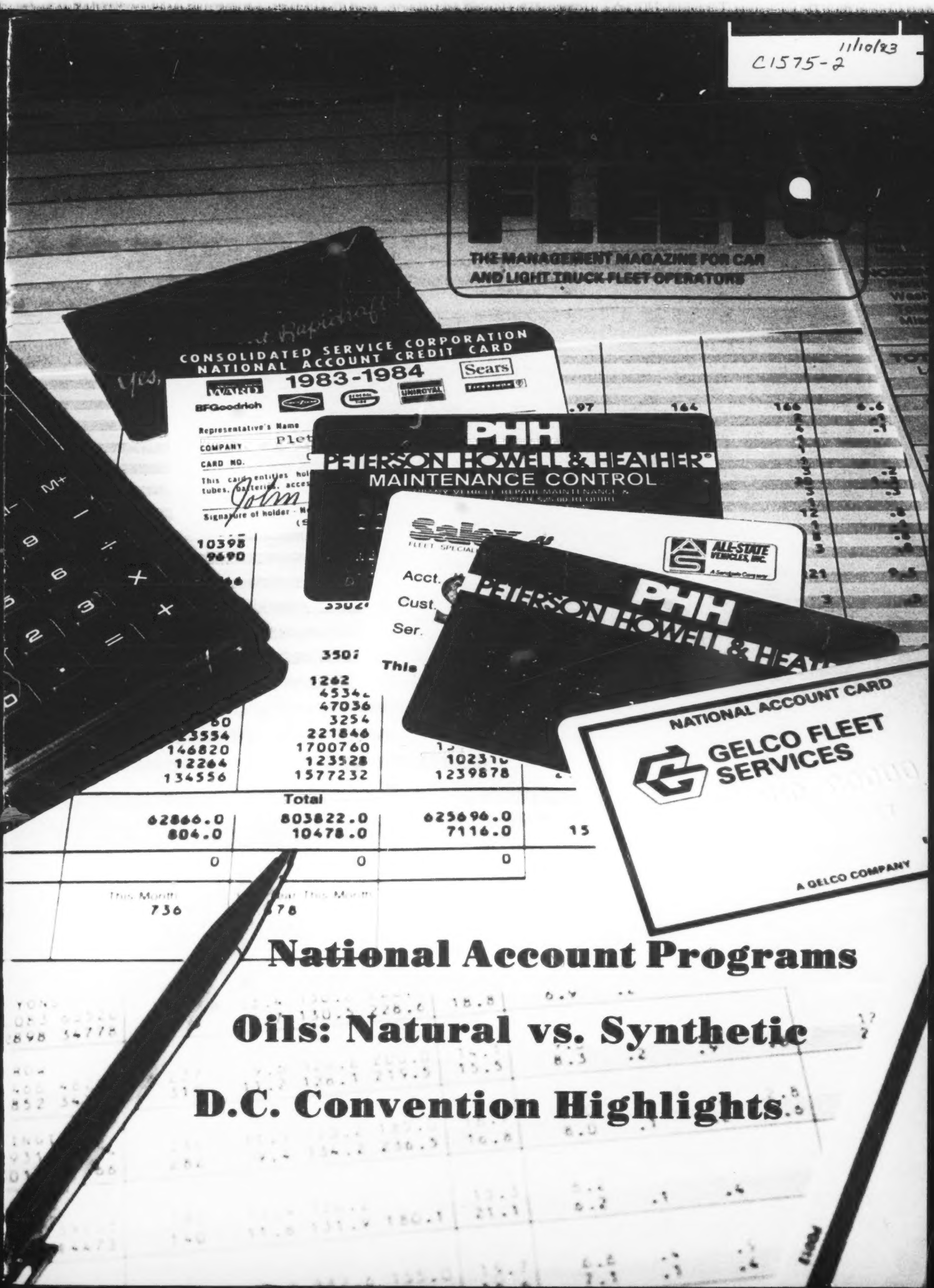
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THE MANAGEMENT MAGAZINE FOR CAR AND LIGHT TRUCK FLEET OPERATORS
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National Account Programs

Oils: Natural vs. Synthetic

D.C. Convention Highlights

November 1983 Vol. 23, No. 1

automotive FLEET®

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

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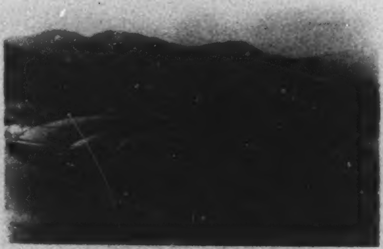
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On our cover: A variety of national account programs provides fleet managers with effective methods of maintenance cost control.

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READER UPDATE

Calendar

NOVEMBER

30-Nov. 3 — International Taxicabs Association, Fontainebleau Hilton, Miami, FL.

1-2 — University of Central Florida Automotive Fleet Administration Seminar, Howard Johnson's, Orlando, FL.

2-6 — Avis Rental Licencees, La Posada, Phoenix, AZ.

6-10 — National Pest Control Association, Sheraton Hotel, Washington, D.C.

14-15 — NAFA Advanced Fleet Management, Charlotte, NC.

17-20 — WVLA National Certification Seminar, San Francisco, CA.

JANUARY 1984

14-19 — Budget Rent A Car Licensee Convention, Scottsdale, AZ.

FEBRUARY

1-5 — Truck Rental and Leasing Association, Fairmont, San Francisco, CA.

4-7 — National Automobile Dealers Association, Dallas, TX.

MARCH

4-8 — American Automotive Leasing Association Convention, Doral Country Club, Miami, FL.

16-18 — Automotive Fleet and Leasing Association Convention, Sheraton Grande, Los Angeles, CA.

Gas Prices

UNLEADED

City	Full-Serve	Self-Serve
Albuquerque, NM	135.4	117.4
Augusta, GA	138.4	127.9
Cedar Rapids, IA	143.5	127
Colorado Springs, CO	138.9	124.9
Ft. Wayne, IN	132.3	124
Hartford, CT	139.9	127
Honolulu, HI	149.4	139.7
Little Rock, AK	144	122.4
Louisville, KY	141.9	125.6
Milwaukee, WI	140.8	125
Philadelphia, PA	137.9	120.7
Tampa, FL	146.2	125.2
Tucson, AZ	134.6	115.5
Worchester, MA	125.6	121.9

Survey conducted during the first five working days of October, 1983. Supplied by Runzheimer and Company, Inc., Runzheimer Park, Rochester, WI.

Lease / Rental Scene

ROLLS AND ASSOCIATES SIGN PLANNING/LEASING AGREEMENT

Rolls-Royce Motors, Inc. has signed an agreement with Associates Leasing Inc. to provide inventory financing and a leasing program for Rolls-Royce dealerships in the United States.

Signing the agreement for Rolls-Royce Motors, John E. Grillo, vice president of finance and administration, said, "This will provide our dealer network with additional access to national financial capability. It will also allow our dealers to offer customized leases." He says that leasing is becoming increasingly popular among buyers of Rolls-Royce products.

Noting that luxury car sales are strong in the United States, John D. Kines, executive vice president of Associates Leasing, said, "Associates is pleased to be affiliated with such a distinguished and successful world-wide automobile manufacturer and marketer. We believe there is great potential in the leasing program which should enhance the sales opportunities for Rolls-Royce motor cars in the U.S. market."

Associates Leasing, Inc., is the auto leasing division of Associates Commercial Corp., the Chicago-based commercial finance subsidiary of Associates Corp. of North America (The Associates). Associates Commercial, a Gulf + Western company, is a major independent source of capital for the financing and leasing of transportation, industrial, and communications equipment and for business loans and factoring.

According to Grillo, Rolls-Royce selected Associates Leasing because of its high quality reputation in the inventory financing and leasing fields and its commitment to providing the customized service required by Rolls-Royce dealers.

SAUNDERS AWARD GIVEN DURING SEPTEMBER CONVENTION

A charter member and the first president of the Connecticut Car and Truck Renting and Leasing Association, Inc., was awarded the Saunders Award for the outstanding CATRALA volunteer for 1983 during the fourth assembly of delegates, Alliance of State Car and Truck Renting and Leasing Associations, held in Washington D.C. during late September.

The award was presented to Andrew S. Lutz II, vice president of the Motorlease Corp. of Farmington, CT, for his service to the Connecticut CATRALA. Lutz, former member of the board of directors of CATRALA, has served in every capacity with the Connecticut organization, including chairman of its legislative committee.

NEW LEASING COMPANY OPENS

A new company, American Western Leasing, has begun operations in Irvine, CA. The company occupies 1,900 square feet at its 18552 MacArthur Blvd. location in Irvine.

American Leasing specializes in providing cars and trucks for the general public and for business fleets. The company offers both leasing and sales of vehicles through its affiliation with Crown Pontiac, Buick, Oldsmobile, and Cadillac in Barstow, CA.

HERTZ TURNAROUND CENTER OPENS IN KANSAS

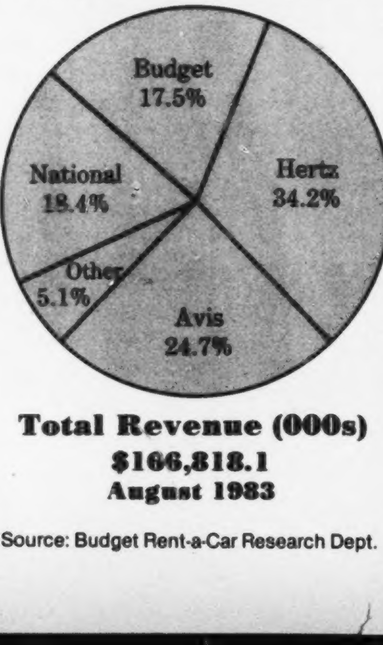
Hertz Corp. has completed the modernization and expansion of its facilities at Mid-Continent Airport in Wichita, KS. The completion was marked by the opening of a new, $500,000 combined turnaround service center and used car sales location at the airport.

The one-story, 4,720-square-foot service center/used car sales facility is built on 2.3 acres at 1835 Midfield Rd., close to the Hertz rental counter at the airport. It also houses Rent A Car's Wichita administrative office.

Hertz said it does between-rental services on its cars at the facility and that the center's increased capacity and proximity to the airport terminal reduce turnaround time so that a greater portion of its fleet is available for rental at any one time.

Wichita, a city of 280,000 people in south central Kansas, is an aircraft industry center.

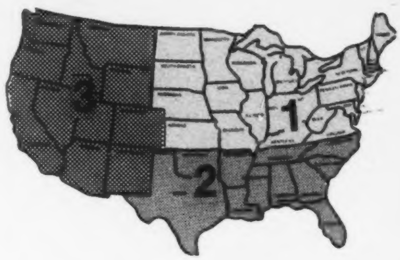
U.S. Daily Rental
Airport Market Share
Top 100 Airports
(where four majors operate)



Total Revenue (000s)
$166,818.1
August 1983

Source: Budget Rent-a-Car Research Dept.

Used Cars



The following are average car prices for the period ending October 5, 1983. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in AUTOMOTIVE FLEET by special permission of Automotive Market Report.

Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	4447	4494	4403
Sta Wgn 30	4677	4722	4630
81 AMC CONCORD			
Sdn 6-4 Dr	3594	3631	3559
Sta Wgn	3784	3822	3745
82 BUICK SKYLARK			
Sdn	5392	5446	5339
81 BUICK SKYLARK			
Sdn	4394	4405	4319
82 BUICK REGAL			
Turbo Cpe	7218	7290	7147
Cpe	6945	7015	6876
81 BUICK REGAL			
Turbo Cpe	6321	6386	6257
Cpe	6039	6103	5980
82 BUICK LESABRE			
Sdn	7706	7781	7629
81 BUICK LESABRE			
Sdn	6017	6078	5958
82 CADILLAC			
Cpe DeVille	12094	12216	11977
Sdn DeVille	12022	12141	11905
81 CADILLAC			
Cpe DeVille	9548	9642	9452
Sdn DeVille	9483	9583	9393
82 CHEVY			
Chvt Htchbk	3393	3425	3353
Camaro Cpe8	7736	7810	7656
81 CHEVY			
Chvt Htchbk	2878	2906	2850
Camaro Cpe 8	5812	5871	5756
82 CHEVY CITATION			
Cpe 6	4404	4445	4360
81 CHEVY CITATION			
Cpe 6	Not Available		
82 CHEVY MALIBU			
Cpe	Not Available		
Sdn	6054	6113	5993
Clas Cpe	Not Available		
81 CHEVY MALIBU			
Cpe	4708	4754	4661
Sdn	4626	4674	4580
Clas Cpe	5035	5086	4983
82 CHEVY MONTE CARLO			
Cpe	6522	6591	6459
81 CHEVY MONTE CARLO			
Cpe	5777	5835	5715
82 CHEVY IMPALA			
Sdn	6654	6724	6591
Cpe	Not Available		
Imp Wgn 9	6917	6987	6847
81 CHEVY IMPALA			
Sdn	5276	5332	5224
Cpe	5301	5355	5251
Est Wgn 9	6244	6305	6183
82 CHRYSLER			
LeBaron Sdn	6212	6276	6153
81 CHRYSLER			
Npt Sdn	5492	5542	5435
82 DODGE OMNI			
4 Dr Htchbk	3794	3832	3756
81 DODGE OMNI			
4 Dr Htchbk	2957	2988	2926
82 DODGE ARIES			
Cpe	5049	5101	4999
81 DODGE ARIES			
Sdn	4360	4402	4316
82 DODGE DIPLOMAT			
Sln Cpe	4459	4500	4412
Sln Sdn	4459	4500	4412
81 DODGE DIPLOMAT			
Sln Cpe	3751	3787	3712
Sln Sdn	3751	3787	3712
82 FORD FAIRMONT			
Futura 4DR	4754	4801	4709
81 FORD FAIRMONT			
Sdn 4 Dr	3671	3709	3634
82 FORD MUSTANG			
Cpe 4	4742	4790	4695
81 FORD MUSTANG			
Cpe 4	4013	4050	3973
82 FORD GRANADA			
Sdn 8-L	5445	5499	5390
81 FORD GRANADA			
Sdn 8-L	4390	4435	4347
82 FORD LTD			
Sdn	6878	6948	6810
81 FORD LTD			
Sdn	5433	5541	5488
81 FORD ESCORT			
Sdn 4 Dr	3248	3280	3216
82 FORD CROWN VIC			
Sdn	7729	7806	7652
81 FORD CROWN VIC			
Sdn	6188	6248	6124
82 FORD THUNDERBIRD			
Cpe	6590	6657	6524
81 FORD THUNDERBIRD			
Cpe	5671	5730	5618
82 LINCOLN CONTINENTAL			
Sdn	13661	13797	13525
Mark VI	13435	13568	13299
81 LINCOLN CONTINENTAL			
Sdn	9479	9577	9384
Mark VI	11437	11553	11322
82 MERCURY COUGAR			
GS Cpe	5491	5546	5436
Sdn	5491	5546	5436
81 MERCURY COUGAR			
Cpe	4428	4475	4385
Sdn	4428	4475	4385
81 MERCURY ZEPHYR			
Sdn 2 Dr	3705	3743	3669
82 MERCURY LYNX			
HthBk 3-Dr	3929	3966	3888
82 MERCURY MARQUIS			
Sdn	7265	7337	7194
81 MERCURY MARQUIS			
Cpe	6646	6713	6581
Sdn	5876	5933	5818
Wgn-2	6004	6065	5943
82 OLDS CIERA			
Cpe	6474	6542	6410
Sdn	6564	6633	6500
82 OLDS CUTLASS SUPREME			
Cpe	6945	7015	6876
Sdn	6678	6745	6614
81 OLDS CUTLASS			
Sdn	5665	5720	5606
Sup Cpe	6039	6103	5980
82 OLDS DELTA			
Sdn	7464	7539	7390
Cpe	7825	7904	7747
81 PLYMOUTH HORIZON			
4 Dr Htchbk	2958	2989	2927
82 PLYMOUTH RELIANT			
Cpe	5024	5074	4974
81 PLYMOUTH RELIANT			
Cpe	4338	4383	4293
81 PONTIAC FIREBIRD			
Cpe 8	5869	5924	5806
81 PONTIAC LEMANS			
Cpe 8	4895	4943	4845
82 PONTIAC PHOENIX			
Cpe	5200	5252	5150
Htchbk Sdn	5200	5252	5150
81 PONTIAC PHOENIX			
Cpe 6	4187	4228	4145
81 PONTIAC CATALINA			
Sdn	5536	5589	5481
Bonneville Sdn	6110	6168	6046
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4157	4198	4115
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3361	3395	3327
IMPORTS			
82 DATSUN			
210 2 Dr	3548	3583	3512
Sentra 2 Dr	3871	3908	3832
Stanza Htchbk	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2934	2963	2906
510 2 Dr	3798	3835	3760
810 Sdn 4 Dr	5750	5808	5692
82 TOYOTA			
Corolla 2 Dr	4514	4559	4469
Celica St Spt Cpe	5685	5741	5628
Corona Sdn 4 Dr	5956	6016	5896
81 TOYOTA			
Corolla 2 Dr Sdn	3180	3212	3148
Celica St Spt Cpe	4428	4473	4384
Corona Sdn 4 Dr	4123	4165	4083

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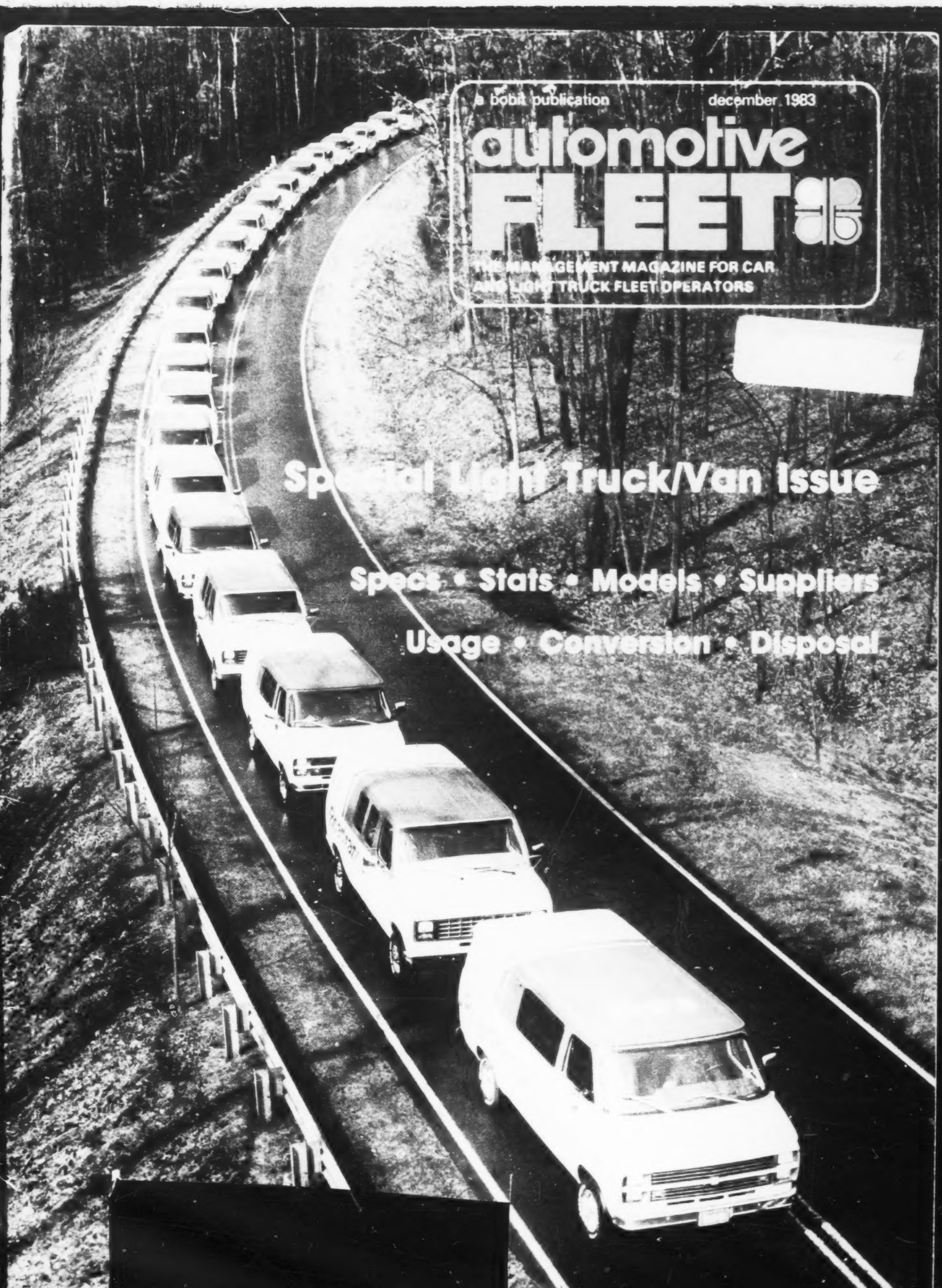

Special Light Truck/Van Issue

Specs • Stats • Models • Suppliers

Usage • Conversion • Disposal

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December 1983 Vo. 23, No. 2

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Top 25 Truck and Van Fleets p. 31

Light Truck Statistics p. 34

Light Truck Usage Composite p. 39

Engineering for Light Truck Needs p. 46

Means of Light Truck Disposal p. 54

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Auction Convention Wrap-up p. 72

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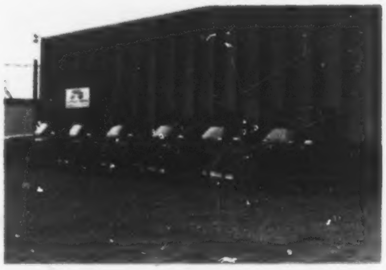
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Editorial 104

On our cover: Pictured is a fleet of RoadRanger vans, customized to the specifications of Eaton Corp. Customization of vans and light trucks is one means fleet operators have found to maximize the effectiveness of their utility vehicles.

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READER UPDATE

Calendar

JANUARY 1984
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26-29 — American Car Rental Association, Canyon Hotel, Palm Springs, CA.

FEBRUARY
1-5 — Truck Rental and Leasing Association, Fairmont, San Francisco, CA.

4-7 — National Automobile Dealers Association, Dallas, TX.

MARCH
4-8 — American Automotive Leasing Association Convention, Doral Country Club, Miami, FL.

16-18 — Automotive Fleet and Leasing Association Convention, Sheraton Grande, Los Angeles, CA.

18-21 — National Association of Fleet Administrators, Bonaventure Hotel, Los Angeles, CA.

19-22 — Motor Vehicle Maintenance Conference, Univ. of Washington, Seattle, WA.

21-24 — National Truck Equipment Association, Convention Center, Baltimore, MD.

APRIL
1-4 — National Car Rental Licencees, Orlando, FL.

12-14 — National Association of Van Pool Operators, Regency Hotel, Dallas, TX.

MAY
16-20 — Western Vehicle Leasing Association, Canyon Hotel, Palm Springs, CA.

Gas Prices

UNLEADED

City	Full-Serve	Self-Serve
Fairbanks, AK	152.5	135.1
Flagstaff, AZ	149.9	135.9
Phoenix, AZ	128.9	116.4
Pine Bluff, AR	134.4	118.9
San Jose, CA	147.4	119.9
Stamford, CT	134.9	129.7
Orlando, FL	146.9	126.9
Savannah, GA	145.4	125.9
Chicago, IL	151.7	128.9
Wichita, KS	141.2	117.6
New Orleans, LA	140.2	115.2
Baltimore, MD	136.7	119.9
Grand Rapids, MI	141.4	125.9
Trenton, NJ	117.9	N/A
Akron, OH	127.4	120.4

Survey conducted during the first five working days of November, 1983. Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

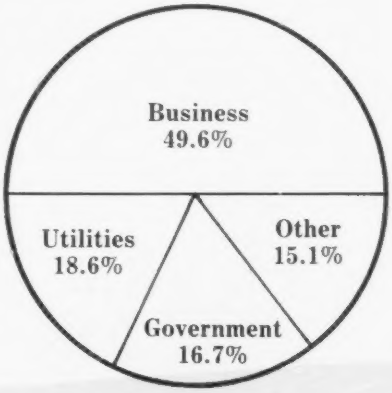
Light Truck Planned Purchasing Survey Results

The results of the annual *Automotive Fleet* light truck planned purchasing survey are now in. In brief summary, the survey found that buying patterns for '84 models will be in step with '83 model year acquisitions. In the last year, buyers increased purchases in the Class II area (6,000 to 10,000 GVW). Vans accounted for 33 percent of total Class I (under 6,000 GVW) and Class II; imports, for 8 percent.

This year's light truck purchasing survey was mailed to 2,500 *Automotive Fleet* readers; in contrast to last year, however, the readers surveyed were also responsible for smaller fleets, those in the 10- to 25-vehicle range. Of the surveys returned, 258 were usable in tabulating results.

Close to half (49.6 percent) of the respondents fell into the business/commercial classification, which included operations such as contracting, manufacturing, food distributions, insurance, pest control, cable TV, and plumbing. Roughly one-fifth (18.6 percent) fell into the utility classification, and roughly one-sixth (16.7 percent) fell into the government classification. The remainder (15.1 percent) were classified as "other," which included rental, leasing, vanpooling, and farm.

As to current fleet composition, 47 percent of current light truck/van fleets were Class I, 52.1 percent Class II. Imports logged 7.7 percent of total owned or leased Class I and II trucks and vans, compared with 5.3 percent last year. Specifically, the current import breakdown is 10.7 percent of Class I, 4.9 percent of Class II.



Respondents by vocation

In Class I, 26.2 percent of the vehicles were leased. In Class II, 42.9 percent of the vehicles were leased. This compares with last year's data, where 25.8 percent of Class I vehicles were leased and 39.1 percent of Class II vehicles were leased.

Average mileage per truck was 20,000, with an average replacement term of 59 months. These figures are in step with last year's averages of 19,543 average miles and a 61.5-month replacement cycle.

As to specific fleet composition, pickups accounted for 42.8 percent of current fleets; vans, 30.1 percent; specialty/other, 19.5 percent; and cab/chassis, 8.4 percent.

In a look at planned '84 model acquisitions, pickups will account for 52.1 percent, vans for 28.4 percent, specialty/other for 11.3 percent, and cab/chassis for 8.2 percent. Within the pickup category, 67.8 percent will be Class I, the remainder Class II. Within the van category, 48.7 percent will be Class I. Within the specialty/other category, 12.3 percent will be Class I. Within the cab/chassis classification, 26.3 percent will be Class I.

For projected '84 acquisitions, Class I will average 52.7 percent; Class II will average 47.3 percent.

As to personal acquisition responsibilities, 47.7 percent ordered, chose brand, and selected specifications; 14.0 percent ordered and selected specifications; 4.7 percent ordered and chose brand; 10.9 percent, chose brand and selected specification; another 10.9 percent selected specifications only; 7.7 percent ordered only; and 0.8 percent chose brand only.

All survey data are intact; readers with a specific manufacturing or marketing interest may review survey results at Automotive Fleet *editorial offices.*

Summary:

Study of Planned New Light Truck Purchasing/Leasing for '84 Models

Automotive Fleet will publish the results of anticipated light truck buying so fleet readers can compare the choices with other similar fleets. Please help our industry by filling out this brief questionnaire and returning it in the postage-paid envelope.

REPLIES	1. Primary Classification
128	☐ Business/Commercial (Contracting, Pest Control, Cable-TV, Plumbing, etc.)
48	☐ Utility
43	☐ Governmental
39	☐ Other (Leasing, Rental, Van Pool, etc.)

2. No. of Light Trucks/Vans in fleet now.

	Under 6000 gvw		6001-10,000	
	Owned	Leased	Owned	Leased
Domestic	19,439	5,066	17,018	11,403
Import	811	2,127	31	1,424

Avg. Annual Mileage: 20,000 per truck

Avg. Replacement Life 59 months

3. Current Composition of your Fleet (in number of units)

		Pick-ups	Vans	Specialty/Other	Cab/Chassis with Vocational Body	TOTAL
Total Under 6000 gvw		15,907	9,171	578	455	26,111
Total 6001-10,000		8,601	8,082	10,031	4,350	31,064
How many '83 models bought or leased?	under 6000	2,441	1,337	76	95	3,949
	6001-10,000	1,304	808	1,065	557	3,734
How many '84s planned to buy or lease?	under 6000	2,748	1,078	108	168	4,102
	6001-10,000	1,308	1,134	772	470	3,684

4. Do you . . .(check one or more boxes)

☒ Order Light Trucks 190

☒ Choose Brand & Approve 165

☒ Select Specifications 215

Any comments should be recorded on the back of this sheet. Complete summary results will appear in the December issue of *Automotive Fleet.* Thank you.

Ed Bobit, Publisher

Circle 116 on Inquiry Card →

Top Twenty-Five Business/Commercial Light Truck & Van Fleets

'83	'82			
1.	1.	Sears Roebuck Chicago, IL	William Jones, III	13,000
2.	2.	Frito-Lay Dallas, TX	Gorman Green Marvin Crow Charles Loveless	10,250
3.	—	Pepsi Cola Purchase, NY	John Sawrey	7,500
4.	4.	Federal Express Memphis, TN	Ron Pruitt	4,357
5.	3.	Goodyear Akron, OH	A.P. Spencer	3,880
6.	—	Ashland Oil Ashland, KY	Steve Stewart	3,625
7.	5.	ARA Services Philadelphia, PA	Ralph Jamic	3,500
8.	7.	Purolator Services New Hyde Park, NY	Jack Neusch	3,500
9.	6.	Standard Oil (IN) Chicago, IL	Dennis Lese	3,500
10.	11.	Tenneco Houston, TX	Jack Gudelman	3,274
11.	9.	Burlington Northern St. Paul, MN	John Long	3,100
12.	14.	General Electric Maj. Appl. Business Group Louisville, KY	Victor Miska	2,900
13.	16.	Shell Oil Houston, TX	Judy Wieman	2,850
14.	13.	Exxon Houston, TX	Jack Lamb	2,800
15.	21.	Phillips Petroleum Bartlesville, OK	B.J. Webb	2,570
16.	15.	Johnson Controls Milwaukee, WI	Bob Borchert	2,561
17.	8.	Montgomery Ward Chicago, IL	Roseann Neveitt	2,506
18.	20.	Canteen Corp. Chicago, IL	Mark Klein	2,500
19.	12.	Dow Chemical USA Midland, TX	Tim Sheehan	2,500
20.	17.	Union Carbide New York, NY	Walt Dzitko	2,500
21.	18.	Xerox Rochester, NY	Ron Pink	2,500
22.	10.	Rollins Inc. Atlanta, GA	Porter Thompson	2,355
23.	22.	Honeywell Minneapolis, MN	Connie Wesley	2,353
24.	23.	U.S. Steel Pittsburgh, PA	Bill Herlihy	2,200
25.	—	Brown & Root Houston, TX	Roger Ivey	2,000

TOTAL 94,581

← Circle 116 on Inquiry Card

Top Twenty-Five Utility Light Truck & Van Fleets

'83	'82			
1.	1.	Southwestern Bell St. Louis, MO	Elizabeth Towns	17,108
2.	2.	Southern Bell T&T Atlanta, GA	Richard McDonald	15,000
3.	8.	Pacific T&T San Francisco, CA	Gary Schott	11,591
4.	4.	United Telecommunications Shawnee Mission, KS	Guy Sabiston	7,586
5.	3.	New York Telephone Brooklyn, NY	Lindsay Payne	6,468
6.	5.	General Telephone of California Pomona, CA	Del Wingerd	5,681
7.	14.	New England T&T Boston, MA	Mid Batchelder	5,311
8.	6.	Continental Telephone Co. Atlanta, GA	Caroline Huffines George Weimer	4,450
9.	10.	Bell Telephone & Diamond St. Tele. Philadelphia, PA	W.H. Davis	4,300
10.	12.	General Telephone of S.W. San Angelo, TX	Paul Melton	3,717
11.	7.	Michigan Bell Southfield, MI	Alfred Clare	3,646
12.	11.	Mountain Bell Denver, CO	Jerry Vegwert	3,500
13.	13.	Pacific N.W. Bell Seattle, WA	Pete Labarge	2,547
14.	16.	American Electric Power Service Canton, OH	Dick Stage	2,400
15.	15.	Consumers Power Co. Jackson, MI	John Schafer	2,200
16.	19	Southern Cal. Edison Pomona, CA	F.H. Gumpf	2,130
17.	21.	Pacific Gas & Elect. San Francisco, CA	J. Roman	1,900
18.	22	Houston Light and Power Houston, TX	Jack Johnson	1,867
19.	—	Southern New Eng. Telephone Co. New Haven, CT	G. Welker	1,450
20.	23.	General Pub. Util. Parsippany, NJ	Vincent Murphy	1,217
21.	20.	Bell Telephone of PA Pittsburgh, PA	Roger Metzger	1,100
22.	18.	Michigan Consol. Gas Detroit, MI	Ernest Morrison	1,071
23.	25.	Florida Light & Pwr. Miami, FL	G. Lindemeyer	1,020
24.	—	Public Svcs. Indiana Plainfield, IN	M.L. Hesson	580
25.	—	Cleveland Electric Illuminating Co. Cleveland, OH	Carl Senal	524
Total				**108,364**

Light Truck Market Statistics

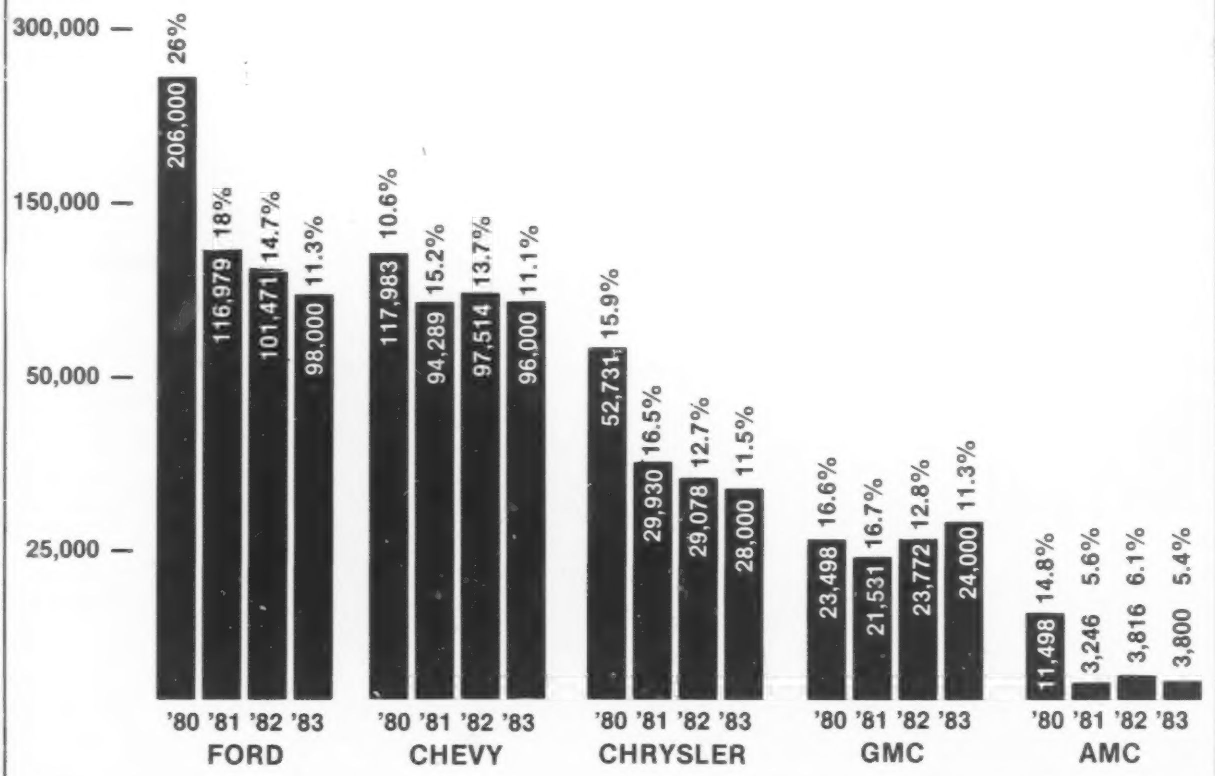
New 1975 to 1983 Light Truck Registrations Reported
Class I & II

National and Fleet Totals

MAKE	1975	1976	1977	1978	1979	1980	1981	1982	1st 8 Mos. 1983
Total	1,982,733	2,693,646	3,069,482	3,518,374	4,065,190	2,749,051	1,926,887	2,237,843	1,775,872
Fleet	175,590	219,736	298,662	355,415	551,096	429,1186	278,121	282,517	195,442
% Fleet	*8.8%*	*8.2%*	*9.7%*	*10.1%*	*13.6%*	*15.6%*	*14.4%*	*12.6%*	*11.0%*
CHEVY (1)	771,518	1,011,377	1,078,692	1,233,932	1,832,454	1,114,847	619,997	726,358	553,658
(2)	61,429	78,625	103,727	123,369	156,170	117,983	94,289	97,514	61,514
(3)	*7.96%*	*7.77%*	*9.62%*	*9.99%*	*8.52%*	*10.58%*	*15.2%*	*13.4%*	*11.1%*
FORD	662,902	870,231	1,036,213	1,219,693	1,185,000	795,000	648,804	689,941	570,345
	60,691	77,661	105,721	124,823	284,000	206,700	116,979	101,471	64,674
	9.16	*8.92*	*10.20*	*10.23*	*24.00*	*26.00*	*18.00*	*14.7*	*11.3*
GMC	140,423	223,805	234,992	283,540	236,750	141,744	128,615	186,257	146,498
	10,926	15,251	21,618	27,552	30,591	23,498	21,531	23,772	15,299
	7.78	*6.81*	*9.20*	*9.72*	*12.92*	*16.57*	*16.7*	*12.8*	*10.4*
DODGE &	250,453	333,201	385,125	396,268	400,945	347,138	181,308	228,232	170,851
PLYMOUTH	29,581	31,694	40,823	41,603	48,794	52,731	29,930	29,078	19,582
	11.81	*9.51*	*10.60*	*10.50*	*12.16*	*15.90*	*16.50*	*12.7*	*11.5*
AMC/JEEP	69,834	95,506	115,079	161,912	140,431	77,852	58,257	62,097	43,413
	8,380	11,461	17,262	21,979	20,875	11,498	3,246	3,816	2,341
	11.99	*12.00*	*15.00*	*13.57*	*14.86*	*14.76*	*5.60*	*6.1*	*5.4*
IHC	37,630	34,769	32,392	35,794	25,794	18,805	2,264	—	—
TOYOTA	44,719	49,823	83,600	94,882	130,648	131,648	130,379	143,439	118,519
	NA	27	2,526	10,966	4,620	8,731	5,874	10,936	15,852
	NA	*.01*	*3.02*	*11.55*	*3.53*	*6.60*	*4.50*	*7.6*	*13.4*
NISSAN/	NA	71,902	102,071	87,645	104,866	113,242	112,382	106,440	87,307
DATSUN	NA	2,257	3,797	5,123	6,046	8,045	6,184	13,430	10,913
	NA	*3.13*	*3.71*	*5.84*	*5.76*	*7.10*	*5.50*	*12.6*	*12.5*
MAZDA*	5,254	3,032	1,318	4,708	8,302	8,775	16,798	40,661	46,759
								2,192	3,833
								5.3	8.2
ISUZU*							9,959	17,669	15,508
									1,192
									7.7
IVECO*								2,563	1,863
								308	242
								12.0	*13.0*
MITSUBISHI*, VW*, & Misc.								34,186	21,151

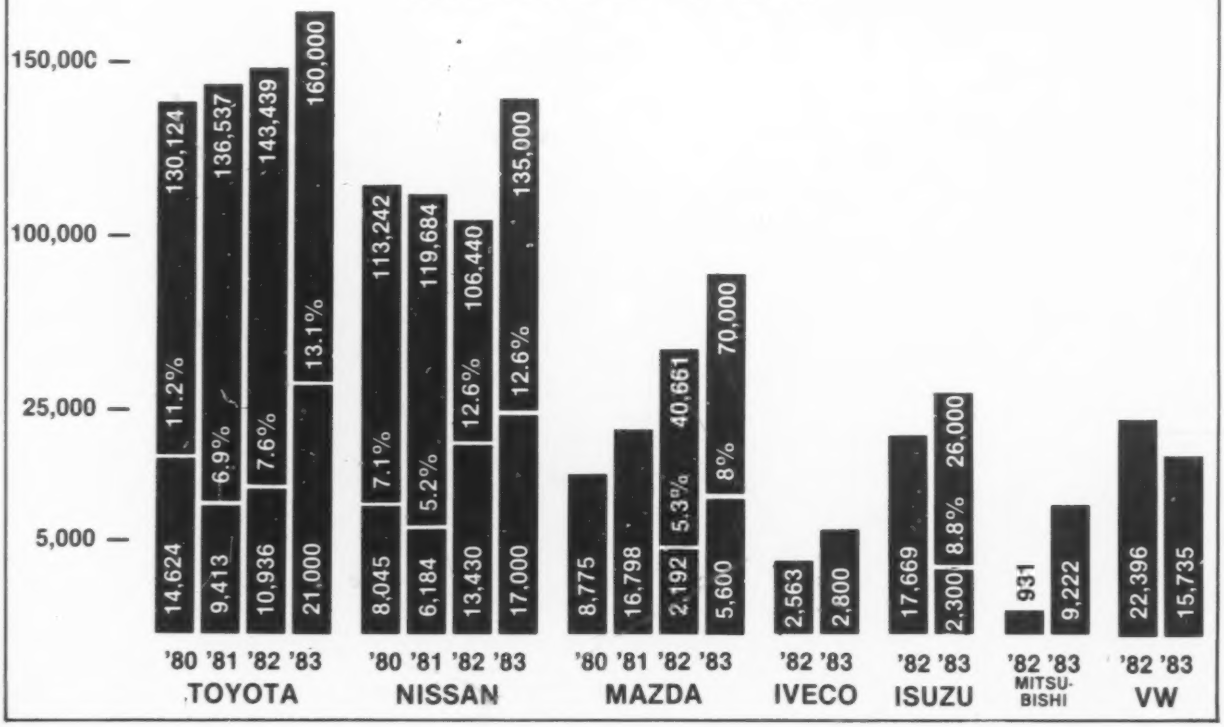
(1) Total light truck sales — Class 1 & 2 (Including Suburban Class)
(2) Total light truck fleet sales
(3) Fleet percentage of total

* Initial fleet programs began in 1982
Note: Domestic Source Data;
Individual Companies for Imports



1980-1983 Light Truck Fleet Sales By Maker — Plus % of Retail

('83 Estimated — Extended from 9 Mo. Figures)



1980-1983 Total Light Truck Sales & Fleet Sales for Imports Plus VW

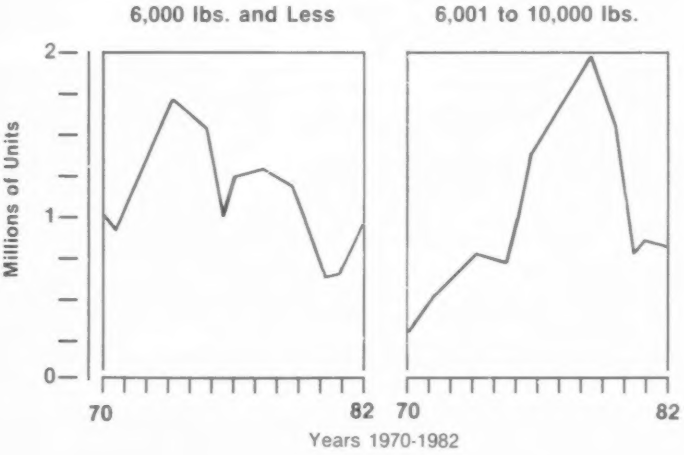
('83 Estimated from 9 Mo. Figures)

Light Truck Statistics

FACTORY SALES OF TRUCKS BY G.V.W.

	6,000 & Less	6,001-10,000	Total Class I & II
1982	917,908	803,639	1,721,547
1981	629,030	816,373	1,445,403
1980	592,339	794,184	1,386,523
1979	1,014,016	1,594,060	2,608,076
1978	1,231,559	1,990,547	3,222,106
1977	1,326,132	1,723,426	3,049,558
1976	1,248,034	1,389,707	2,637,741
1975	982,511	962,987	1,945,498
1974	1,536,778	731,529	2,268,307
1973	1,735,645	761,481	2,497,126
1972	1,414,551	584,612	1,999,163
1971	1,196,544	486,388	1,682,932
1970	950,252	401,592	1,351,844
1969	1,121,222	405,108	1,526,330

ANNUAL TRUCK FACTORY SALES BY G.V.W.



6,000 lbs. and Less

6,001 to 10,000 lbs.

U.S. FACTORY SALES OF DIESEL TRUCKS BY G.V.W.

	6,000 & Less	6,001-10,000
1982	47,973	74,929
1981	52,487	20,862
1980	72,501	4,973
1979	33,019	950
1978	35 019	990
1977	2,392	1,128
1976	–	1,596

U.S. TRUCK FACTORY SALES BY BODY TYPE UNDER 10,000 LBS. G.V.W.

	1977	1978	1979	1980	1981	1982
Pickup	1,937,716	1,969,518	1,623,875	931,093	933,809	1,141,050
Compact or Passenger Type Car	84,091	90,295	81,919	70,456	137,766	445,082
Conventional	1,853,625	1,879,223	1,541,956	860,637	796,043	695,968
Multi-Stop	36,326	40,368	30,111	20,966	28,637	32,036
Van	519,532	547,939	391,667	131,346	177,497	192,681
Station Wagon (on Truck Chassis).	139,903	153,979	136,678	60,634	65,895	88,418
Passenger Carrier	7,080	4,484	3,619	39,273	37,227	47,066
General Utility	295,424	371,978	295,642	126,687	136,810	153,230
Other	113,577	133,840	126,484	76,524	65,528	67,066
Total Under 10,000 lbs. G.V.W.	3,049,558	3,222,106	2,608,076	1,386,523	1,445,403	1,721,547

Lease / Rental Scene

GM ORDERED TO TREAT RENTAL FIRMS EVENLY

A Federal Trade Commission Judge, James P. Timony, has made an initial ruling that General Motors illegally discriminated against small car-rental firms by giving them smaller advertising subsidies than it gave to larger ones. GM was ordered to provide even treatment under the judge's order, and it must advertise its advertising program in at least two publications for five years.

According to findings in the initial decision, in 1978 GM favored 15 rental and leasing firms and even among those did not make proportionally equal advertising payments. GM now will have to make payments available on proportionally equal terms to all competing rental and leasing firms.

The judge's order can be reviewed by the five FTC commissioners on either their own initiative or on appeal. If neither occurs, the judge's initial decision becomes final within 30 days. According to reports, however, GM is reviewing the decision and expects to appeal it.

Ford Motor Company also has more than a passing interest in the outcome of the case, since it lost a similar decision last June. According to the stipulations of that decision, however, Ford is not bound to its decision if GM's litigation results in a better one. Ford, therefore, can challenge the initial decision against GM if it is dissatisfied.

ELMHURST OPENS NEW GROUP HEADQUARTERS

Elmhurst Leasing has opened a new headquarters in the Chicagoland area, at 896 N. York in Elmhurst, IL. The new building, which is two-story with 4,400 square feet of office space and an additional 2,900 square feet of service area, is centrally located to serve as group headquarters as well as an operating branch.

Elmhurst has future plans to add an additional two or three outlets in the same general location in the near future.

THRIFTY TO FEATURE CHRYSLERS

Thrifty Rent-A-Car has become the first major car rental firm to show a strong commitment to Chrysler products. The firm recently came to an agreement with Chrysler to feature their automobiles. According to reports, more than 50 percent of Thrifty's 1984 acquisitions were Chryslers, and the long term goal of the firm is that 50 percent of their total fleet will consist of Chryslers. The intent of the program, from Chrysler's point of view, will be to promote Chrysler test drives through Thrifty Rent-A-Car.

BILL MIGHT PROTECT AGAINST TEFRA BACK TAX

The House Ways and Means Committee approved a bill last October that could protect auto dealers if the IRS seeks back taxes on commercial open-end leases.

The bill, which offers technical corrections to various classes in the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, also would allow lessees in a commercial lease to treat the lease as a conditional sale on a tax return filed prior to the act's passage, despite the existence of a terminal rental adjustment clause.

When TEFRA was passed, it stipulated that an open-end commercial auto lease must be considered a lease for tax purposes.

GECAL TO TEST USED CAR CENTERS

General Electric Credit Auto Leasing (GECAL) will test pilot two wholesale used car centers in the South reportedly to dispose of off-lease, early termination, and repossessed leased vehicles. It is reported that as many as 50 to 100 cars a month could flow through the Dallas and Atlanta outlets that GECAL is in the process of establishing. The vehicle mix is expected to be evenly divided between domestic and foreign cars at the wholesale lots coming out of service from GECALs existing fleets in the Southeast and Southwest regions.

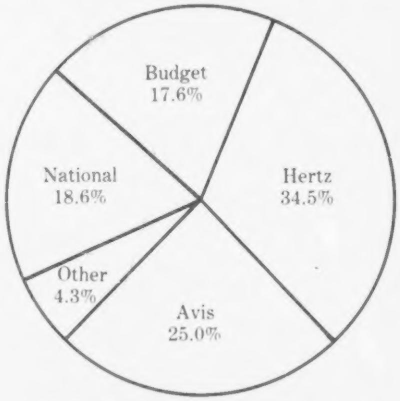
HERTZ SETS RECORD FLEET ORDERS

Hertz Corp. has placed orders with auto manufacturers for a record 153,840 1984 cars, bearing an estimated value of over $1 billion. The buy is the largest in Hertz history and will be absorbed by Hertz' more than 3,000 corporate and franchise locations nationwide.

The new purchases are 26 percent ahead of the previous record of 122,095 orders for 1980 models and nearly 40 percent more than last year's total. Orders include 93.8 percent domestic models and 6.2 percent imports. The import share is down sharply from 9.9 percent in 1983.

Hertz said the record purchase orders reflect an upward trend in both business and personal car rentals since March 1983.

U.S. Daily Rental
Airport Market Share
Top 100 Airports
(where four majors operate)



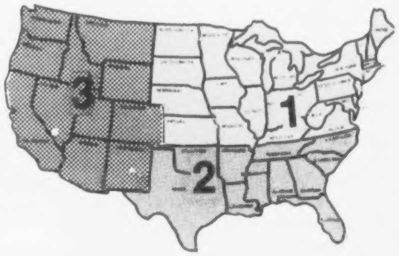
Total Revenue (000s)
$153,160.757
September 1983

Source: Budget Rent-a-Car Research Dept.

PRICING UPDATE

Used Cars

The following are average car prices for the period ending October 26, 1983. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	4403	4450	4359
Sta Wgn 30	4631	4675	4584
81 AMC CONCORD			
Sdn 6-4 Dr	3558	3595	3523
Sta Wgn	3746	3784	3707
82 BUICK SKYLARK			
Sdn	5338	5392	5285
81 BUICK SKYLARK			
Sdn	4342	4383	4297
82 BUICK REGAL			
Turbo Cpe	7204	7275	7133
Cpe	6951	7001	6862
81 BUICK REGAL			
Turbo Cpe	6308	6373	6244
Cpe	6027	6091	5968
82 BUICK LESABRE			
Sdn	7645	7719	7568
81 BUICK LESABRE			
Sdn	5969	6030	5910
82 CADILLAC			
Cpe DeVille	11998	12118	11881
Sdn DeVille	11926	12044	11810
81 CADILLAC			
Cpe DeVille	9452	9546	9358
Sdn DeVille	9389	9487	9299
82 CHEVY			
Chvt Htchbk	3408	3441	3373
Camaro Cpe8	9469	9562	9374
81 CHEVY			
Chvt Htchbk	2835	2863	2807
Camaro Cpe 8	7223	7296	7154
82 CHEVY CITATION			
Cpe 6	4360	4401	4316
81 CHEVY CITATION			
Cpe 6 Htchbk	3610	3644	3570
82 CHEVY MALIBU			
Sdn	5994	6052	5933
81 CHEVY MALIBU			
Cpe	4638	4682	4591
Sdn	4557	4604	4511
Clas Cpe	4960	5010	4908
82 CHEVY MONTE CARLO			
Cpe	6509	6578	6448
81 CHEVY MONTE CARLO			
Cpe	5777	5835	5715
82 CHEVY IMPALA			
Sdn	6688	6657	6525
Imp Wgn 9	6848	6917	6779
81 CHEVY IMPALA			
Sdn	5224	5278	5172
Cpe	5248	5301	5199
Est Wgn 9	5442	5495	5389
82 CHRYSLER			
LeBaron Sdn	6200	6263	6141
81 CHRYSLER			
Npt Sdn	5449	5497	5392
82 DODGE OMNI MISER			
4 Dr Htchbk	3711	3748	3673
81 DODGE OMNI MISER			
4 Dr Htchbk	2898	2928	2868
82 DODGE ARIES			
Cpe	4984	5035	4934
81 DODGE ARIES			
Sdn	4303	4345	4260
82 DODGE DIPLOMAT			
Sln Sdn	5346	5400	5294
81DODGE DIPLOMAT			
Sln Cpe	4406	4446	4359
Sln Sdn	4406	4446	4359
82 FORD FAIRMONT			
Futura Sdn 4Dr	4706	4753	4662
81 FORD FAIRMONT			
Sdn 4 Dr	3635	3672	3598
82 FORD MUSTANG			
Cpe 4	4718	4766	4672
81 FORD MUSTANG			
Cpe 4	3973	4010	3933
82 FORD GRANADA			
Sdn 6-L	5375	5428	5320
81 FORD GRANADA			
Sdn 8-L	4333	4378	4290
82 FORD LTD			
Sdn	6823	6892	6756
81 FORD LTD			
Sdn	5434	5485	5379
81 FORD ESCORT			
Sdn 4 Dr	3193	3224	3162
82 FORD CROWN VIC			
Sdn	7667	7744	7591
81 FORD CROWN VIC			
Sdn	6126	6186	6063
82 FORD THUNDERBIRD			
Cpe	6577	6644	6511
81 FORD THUNDERBIRD			
Cpe	5671	5730	5618
82 LINCOLN CONTINENTAL			
Sdn	13429	13563	13296
Mark VI Sdn	13341	13473	13206
81 LINCOLN CONTINENTAL			
Sdn	9413	9510	9318
Mark VI Sdn	11323	11438	11209
82 MERCURY COUGAR			
GS Cpe	5420	5474	5366
Sdn	5420	5474	5366
81 MERCURY COUGAR			
Cpe	4371	4417	4328
Sdn	4371	4417	4328
81 MERCURY ZEPHYR			
Sdn 2 Dr	3668	3705	3633
82 MERCURY LYNX			
HthBk 3-Dr	3863	3899	3822
82 MERCURY MARQUIS			
Sdn	7193	7263	7122
81 MERCURY MARQUIS			
Sdn	**5818**	**5873**	**5760**
Wgn-2	**5944**	**6005**	**5883**
82 OLDS CIERA			
Cpe	6422	6490	6359
Sdn	6511	6580	6448
82 OLDS CUTLASS SUPREME			
Cpe	6931	7001	6862
Sdn	6665	6732	6601
81 OLDS CUTLASS			
Sdn	5654	5709	5595
Sup Cpe	6027	6091	5968
82 OLDS DELTA 8			
Sdn	7405	7478	7331
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2899	2929	2869
82 PLYMOUTH RELIANT			
Cpe	4959	5008	4909
81 PLYMOUTH RELIANT			
Cpe	4282	4326	4237
81 PONTIAC FIREBIRD			
Cpe 8	7636	7708	7557
81 PONTIAC LEMANS			
Cpe 8	4847	4893	4797
82 PONTIAC PHOENIX			
Cpe	5148	5200	5098
Htchbk Sdn	5148	5200	5098
81 PONTIAC PHOENIX			
Cpe 6	4166	4207	4124
81 PONTIAC CATALINA			
Sdn	5480	5533	5427
Bonneville Sdn	6049	6106	5986
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4157	4198	4115
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3361	3395	3327
IMPORTS			
82 DATSUN			
210 2 Dr	3548	3583	3512
Sentra 2 Dr	3871	3908	3832
Stanza Htchbk	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2934	2963	2906
510 2 Dr	3798	3835	3760
810 Sdn 4 Dr	5750	5808	5692
82 TOYOTA			
Corolla 2 Dr	4514	4559	4469
Celica St	5685	5741	5628
Corona Sdn Lux	5956	6016	5896
81 TOYOTA			
Corolla 2 Dr Sdn 4Sp	3180	3212	3148
Celica St Spt Cpe	4428	4473	4384
Corona Sdn 4 Dr	4123	4165	4083

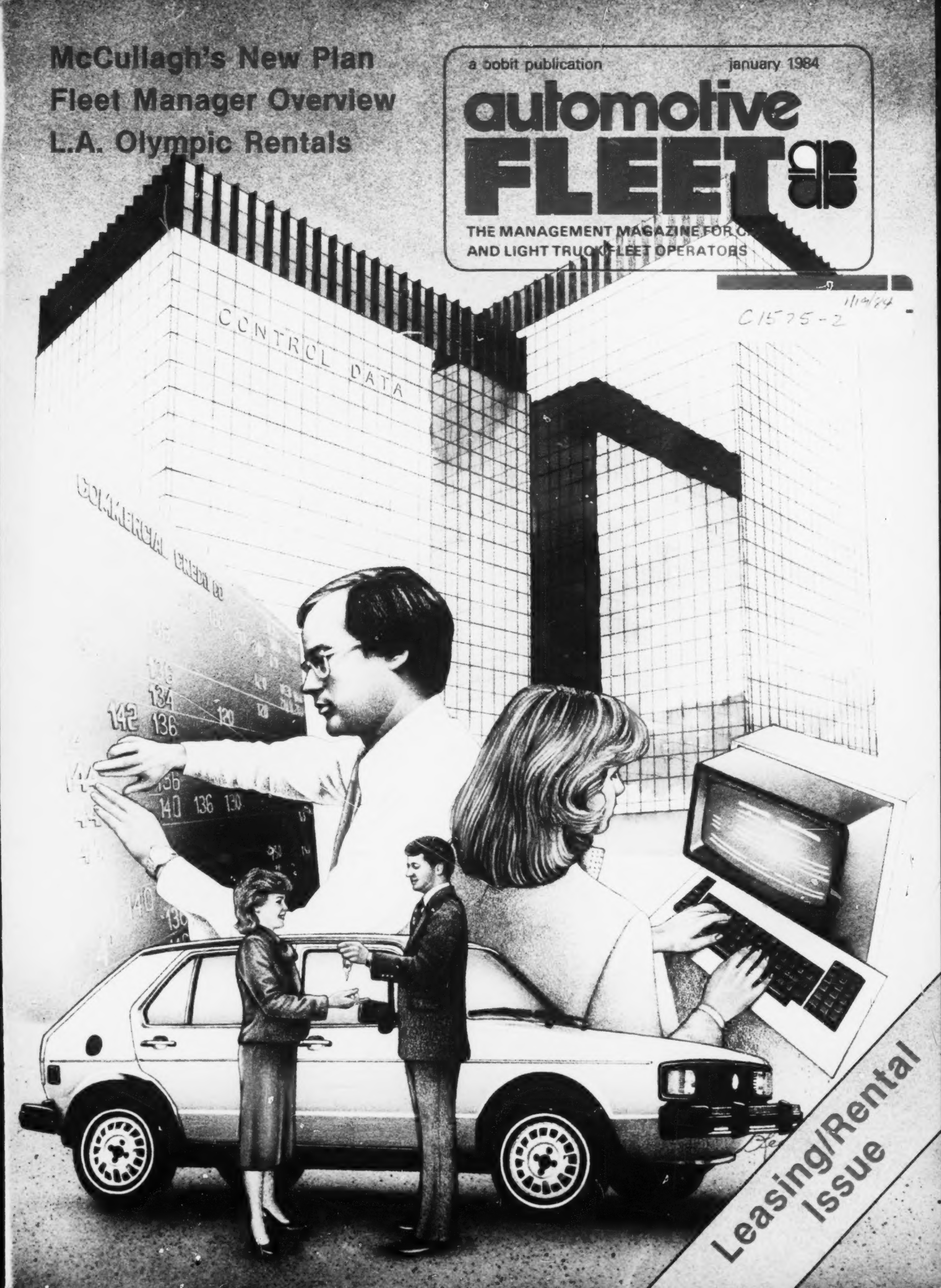
a bobit publication january 1984

automotive FLEET

THE MANAGEMENT MAGAZINE FOR C
AND LIGHT TRUCK FLEET OPERATORS

McCullagh's New Plan
Fleet Manager Overview
L.A. Olympic Rentals

1/19/84
C1575-2


CONTROL DATA
COMMERCIAL CREDIT CO
142
136
134
140 136 130

Leasing/Rental Issue

January 1984 Vol. 23, No. 3

automotive FLEET®

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

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Economic Benefits of Lease Financing p. 29

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MAACO Aids Alamo's Phoenix Center p. 58

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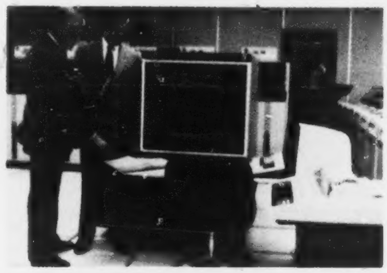
NAFA Fleet Manager Survey p. 64



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On our cover: An artist's rendering shows the support facilities standing behind McCullagh's car leasing operations.

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READER UPDATE

Calendar

JANUARY 1984

14-19 — Budget Rent A Car Licensee Convention, Scottsdale, AZ.

26-29 — American Car Rental Association, Canyon Hotel, Palm Springs, CA.

30-31 — *Leasing Digest* Conference on Lessee-Lessor Relationships; Residual Valve Insurance, Plaza Hotel, New York, N.Y.

31-Feb. 2 — NAFA Basic Principles of Fleet Management, Orlando, FL.

FEBRUARY

1-5 — Truck Rental and Leasing Association, Fairmont, San Francisco, CA.

4-7 — National Automobile Dealers Association, Dallas, TX.

MARCH

4-8 — American Automotive Leasing Association Convention, Doral Country Club, Miami, FL.

16-18 — Automotive Fleet and Leasing Association Convention, Sheraton Grande, Los Angeles, CA.

18-21 — National Association of Fleet Administrators, Bonaventure Hotel, Los Angeles, CA.

19-22 — Motor Vehicle Maintenance Conference, Univ. of Washington, Seattle, WA.

21-24 — National Truck Equipment Association, Convention Center, Baltimore, MD.

APRIL

1-4 — National Car Rental Licencees, Orlando, FL.

12-14 — National Association of Van Pool Operators, Regency Hotel, Dallas, TX.

Gas Prices

	UNLEADED	
City	**Full-Serve**	**Self-Serve**
Albany, GA	124.2	122.9
Fort Meyers, FL	136.9	117.4
Champaign, IL	155.6	128.2
Witchita, KS	137.2	114.2
New Orleans, LA	137.7	115.7
Flint, MI	155.9	122.4
St. Charles, MO	137.4	113.4
Fort Worth, TX	139.2	111.2
Billingham, WA	148.9	131.9
Milwaukee, WI	136.7	119.3
Los Angeles, CA	144.6	118.5
Denver, CO	143.5	120.3
Stamford, CT	133.6	125.7
Brooklyn, NY	133.7	132.7
Cincinnati, OH	143.1	120.7

Survey conducted during the first five working days of December, 1983. Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

NAFA Survey Project

Fleet Managers and Their Environment

By Barry Mitnick
and Donna J. Wood

It is perhaps among the folklore of modern fleet management that fleet managers work in an increasingly complex work environment, are appreciated relatively less by their peers than other managers, seem to have come a long way toward professionalism, and find it increasingly necessary to use a wider range of techniques and services, such as those often provided by fleet leasing companies. The NAFA Survey Project at the University of Pittsburgh, funded under a grant from the NAFA Foundation, has sought to examine these and other observations about the environment of fleet management that seems to prevail.

Even if the folklore proves valid, we still do not understand the key details and dynamics of these important features of everyday fleet management. How complex is fleet management perceived to be? Do fleet managers really feel underappreciated by their management peers? Do they perceive, however, that top management understands their situation? Is the professionalism of fleet managers similar to that exhibited in other true professions? How dependent are fleet managers on services provided by fleet leasing companies? Are fleet managers satisfied with the ser-

Table I
Characteristics of Respondent Managers

Manager's Sex

	N	%
Male	152	76.0
Female	47	23.5
Total	**199**	

Nationality

	N	%
U.S.	171	89.5
Canadian	20	10.5
Total	**199**	

Manager's Age

	N	%
25 years or less	4	2.0
26-30	21	10.7
31-35	30	15.3
36-40	30	15.3
41-45	24	12.2
46-50	23	11.7
51-55	26	13.3
56-60	21	10.7
61+	17	8.7
Total	**196**	

Manager's Salary

	N	%
15-19,999	16	8.4
20-24,999	20	10.5
25-29,999	41	21.5
30-34,999	41	21.5
35,39,999	27	14.1
40-49,999	24	12.6
45-49,999	8	4.2
50,000 +	14	7.3
	—	
Total	**191**	

"Fleet managers inhabit boundary-spanning roles."

vices they get from such companies?

Only through an understanding of the particular environment of fleet management can we move toward the development of better managerial tools for the area. If we understand how fleet managers in general interact with their environment, we can, conceivably, prescribe improvements useful not just in one, but in many organizational settings. We may discover, for example, that only a few parts of a complex environment actually produce the most problems; this can lead us to focus remedial action in this area. Or if fleet management is indeed taking the path followed by other professions, we can apply what has been learned about the behavior and management of professionals to improve the situation of fleet personnel.

Fleet managers inhabit what organization theorists call "boundary-spanning roles"; they, like purchasing agents, sales personnel, and public affairs specialists, among others, conduct the organization's relationships with the components of its environment. This is a key organizational role that has received a great deal of recent attention in the academic literature. If fleet managers act, like other boundary-spanning personnel, as important agents of the organization, we can learn a lot relevant to management in the area from looking explicitly at how they fulfill this role. Our questionnaire, therefore, was designed specifically around the concept that much can be learned from thinking about the ways in which fleet managers act as boundary-spanning agents.

The Survey

A questionnaire designed to explore the topics discussed above was sent to half the membership of the National Association of Fleet Administrators in the spring of 1983. The sample was selected from NAFA's mailing list, with 666 questionnaires sent to every other name on the list (beginning with a flip of a coin). The questionnaire was long and complex, with over 400 "variables" (i.e., response blanks). In spite of this, we received 200 responses, or 30 percent. This is considered a high rate of return for a single mailing of this type and itself probably reflects a dimension of professionalism among the respondents. We are very grateful to the respondents for their work. We are reporting here some results from a tabulation of the frequency distributions (i.e., percentages) of the responses. The results of more complex statistical analyses performed on the data will be reported in future papers.

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"Salaries ranged from $15,000 to $50,000. . ."

A Snapshot of Fleet Managers

The 200 respondents represented organizations ranging in size from 13 to 325,000 employees, with a median size of 3,000 employees. Private sector organizations composed 77.5 percent of the sample, with government agencies (national, state, and local), not-for-profit agencies, and educational institutions represented among the remainder of the sample. Fleets similarly displayed a wide range, with the median number of automobiles at 270 (range 15 to 7,200) and of trucks and other vehicles at 110 (range zero to 19,000). Organizational size as measured by last year's sales (or budget, for nonprofit agencies) ranged from less than $1 million to over $5 billion, with the median falling at almost $250 million.

Respondents themselves were 76 percent male (N = 152). Of the 191 respondents who reported nationality, 89.5 percent were located in the United States and 10.5 percent in Canada. Respondent fleet managers ranged in age from under 25 years (only 2 percent) to over 61 years (8.7 percent), with a median age category (among 196 reporting) of 41 to 45 years. Salaries ranged from $15,000 to over $50,000, reflecting the vast array of managerial titles and positions accounting for the fleet management function in respondent organizations. Frequency distributions for some of the fleet managers' personal characteristics are shown.

The Internal and External Constituencies of Fleet Managers

To understand the sources of complexity in the environment of fleet management, we need to identify the parts of that environment and how they relate to fleet managers. The questionnaire listed 18 internal constituencies (e.g., accounting, sales) and 20 external constituencies (e.g., auto dealers, fleet leasing companies). It asked respondents about the perceived frequency of constituencies.

As we would expect, fleet managers do not interact with, experience problems from, or perceive the importance of (or change in the importance of) each constituency equally. Relatively few constituencies in each case proved to be key ones.

Who do fleet managers interact with most inside their organization?

Of the 18 internal constituencies listed on the questionnaire, fleet managers reported five cases in which contacts were "frequent" or "very frequent" in 40 percent or more of the sample. These constituencies were purchasing, sales/marketing, accounting, finance/treasurer, and vehicle maintenance. Most often reported were contacts with accounting (70.3 percent). Insurance, claims, personnel, operations/production, president/CEO, and the general manager were in

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> **"20 to 24 percent perceive their importance to have increased."**

frequent contact with a substantial minority of respondents (23.7 to 34.1 percent). Least frequently reported were contacts with internal security, engineering, public relations/public affairs, support services, Board of Directors, government relations, and general counsel (range 1.2 percent to 18.5 percent).

Which are considered the most important constituencies of fleet managers within the organization, and which constituencies are thought to have changed in importance recently?

Over half of the respondents rated the following internal constituencies as important or very important: accounting (61.3 percent), finance/treasurer (54.5 percent), President/CEO (60.5 percent), general manager (53.4 percent) and vehicle maintenance (64.6 percent). Government relations and public relations/public affairs were seen as having relatively little importance to fleet management functions, and the other internal constituencies were rated as important by a moderate number of respondents. Interestingly, only vehicle maintenance was seen as having increased substantially in importance over the past 10 years (41.8 percent of respondents). Most of the other internal constituencies seem more important now to only a relatively small proportion of respondents, and few fleet managers perceive that any of these constituencies have declined in importance over time.

Who do fleet managers interact with most outside their organization?

It is not surprising that the external constituencies with which fleet managers are most involved are precisely those most closely connected to vehicle sales and services. Over half the sample reported frequent or very frequent contact with a fleet leasing company (60 percent), auto manufacturers (52.3 percent), and auto dealers (51.8 percent). These were followed closely by contract mechanics (44.8 percent), NAFA (38.9 percent), parts vendors (36.3 percent), and insurance companies (32.8 percent). Most fleet managers report having little or no contact with public utility commissions, unions, or governmental revenue departments. An interesting finding here is that over half of respondent fleet managers reported frequent or occasional contact with local, state, or federal regulatory agencies (including transportation departments). It is becoming commonplace in business that government relations is now a generic management function, not a specialized staff function; this finding offers support for the wisdom of this approach.

Who are the most frequent sources of trouble for fleet managers from outside the organization?

Most of the external constituencies listed are occasionally sources of trouble for fleet managers, but none seems to present overwhelmingly frequent difficulties. Those constituencies with the highest frequency of contact are also those most often rated as frequent sources of problems: contract mechanics (27.2 percent), auto dealers (26.9 percent), auto manufacturers (26.4 percent), and fleet leasing companies (22.7 percent). Although almost 40 percent of respondents are in frequent contact with the National Association of Fleet Administrators, it was reported as a frequent source of problems by only seven individuals (3.6 percent — computerized mailing list snafus, perhaps).

Who are considered the most important constituencies of fleet managers outside the organization, and which constituencies are thought to have changed in importance recently?

Over half the sample considered the following external constituencies to be important or very important to satisfactory performance of the fleet management function: auto manufacturers, auto dealers, fleet leasing companies, contract mechanic, and insurance companies. Parts vendors and NAFA are considered to be important by more than 40 percent of the respondents.

Four constituencies were rated as having increased in importance over time by a large minority of respondents: fleet leasing companies (38.5 percent), NAFA (38.2 percent), auto manufacturers (38.1 percent), and auto dealers (29.2 percent). Contract mechanics, parts vendors, fuel suppliers, and insurance companies were not far behind, with about 20 to 24 percent of the sample perceiving their importance to have increased over 10 years.

The results suggest an interesting hypothesis about complexity in the fleet manager's environment. If the environment of fleet management has grown more complex and more difficult to manage, perhaps it is not because new constituencies have joined the field — as is often the case with other managerial specialties — but because *relations* with traditional constituencies have themselves become more complicated.

Perceptions of Complexity and the Relationship of Fleet Managers to Their Organizations

Besides asking fleet managers directly about their interaction frequency, problem source dependence, and change of perceptions with respect to particular internal and external constituencies, the questionnaire also inquired about some general qualities of the fleet managers' relationships to their organizations. Respondents were asked to agree/disagree with a series of attitudinal statements. These concerned complexity and change in the job and the environment, the importance and status of the job of fleet management within the organization, and other aspects that we shall address later.

Complexity in the environment is defined in may ways by organizational researchers. We have defined it in terms of the number of internal and external constituencies in the fleet manager's environment, the frequency of interaction with constituencies, turbulence in the environment (i.e., the number and rapidity of changes in the environment), and certain aspects of the quality of interactions with the en-

". . .fleet managers perceive their environment as turbulent."

vironment. Greater sophistication in the information exchanges with the environment and their evaluation would be a mark of higher complexity. This aspect would, for example, characterize higher levels of professionalization. Thus we have included some measures of professional behavior partly as an aid in understanding the complexity of the environment of fleet managers. We shall report on the professionalism results later.

As part of our assessment of perceptions of complexity, managers were asked to respond to the statement, "My job as a fleet manager requires me to deal with a great many outside groups and individuals in my organization's outside environment." Almost three-fourths of the total sample (149, or 74.5 percent) agreed or strongly agreed with this statement. Most respondents (80.5 percent) agreed that "fleet management is a very complicated job." Respondents were evenly split on the relative importance of external and internal factors affecting their job; 36 percent agreed and 36.5 percent disagreed with the statement that "In general, my job is more strongly affected by what happens in the outside world than by what happens inside the organization." Although respondents saw their jobs and the environment as complex, they did not report, on the whole, much difficulty in understanding the environment (57.5 percent agreed that they had little trouble understanding the environment), and 55 percent of them agreed that constant demands keep the job from being as simple as it should be. A large majority of respondents (78 percent) agreed with the statement, "Fifteen years ago, the organization's external environment was much less complex than it is today."

"Objective" turbulence is and will remain a theoretical construct; obviously, the environment of any manager is changing all the time and it would be difficult if not impossible to count accurately the number of actual changes and the speed with which they occurred. What is vitally important, however, is the manager's *perceptions* of environmental change (number and speed of changes) as well as the manager's perceptions of his or her ability to understand and cope with changes in the environment.

Seventy percent of respondents disagreed with the statement, "outside factors that are important to this job really don't change much," and 68 percent agreed that "15 years ago, the organization's external environment was such that it took less expertise to manage the fleet." Clearly, fleet managers perceive their environment to be quite turbulent. They are mixed, however, in their perceived ability to understand and deal with such turbulence: 43 percent agreed that "things change so fast in this work

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"Very few felt their jobs were at a higher level. . ."

that it is hard to keep up-to-date," and 37.5 percent agreed that "the outside environment these days seems almost completely unpredictable."

Besides complexity, questions inquired about the fleet's importance to its organization and respondents' perceptions of how highly valued and understood their function was by other organizational members. Sixty-nine percent of respondents agreed that "this organization could not survive without its fleet," indicating the vital importance of fleet management functions to organizational health. Three questions, however, indicated that fleet management is poorly understood and appreciated by others in the organization: 65 percent agreed that "most people don't realize how important the fleet is to them"; 77.5 percent agreed that "most people in the organization don't understand what fleet management is all about"; and 64 percent agreed that "most people in this organization don't realize that the fleet manager's job is a difficult one." Now, "most people" is a phrase that encompasses a lot of employees who have little or nothing to do with the fleet; it may not be surprising that "most people" in the organization do not understand or value the fleet manager's job. One would expect, however, that senior executives would respect and highly value the fleet management function, but only 46 percent of our respondents agreed with this statement.

Three questions were aimed at discovering fleet management's relative status within the organization. These questions asked respondents to agree or disagree with these statements: "Compared to other managers in this organization with responsibilities similar to mine, my job is at a higher level, my salary is higher, I have greater access to top management." Very few fleet managers felt their jobs were at a higher level (21.5 percent agreed) or that their salaries were higher (10.5 percent agreed). On the third question, however, fully 57.5 percent felt that they had greater access to top management than did their peers with comparable responsibilities. This result could reflect the increasing costs in the area and the increasingly problematic environment in which this important function operates.

It is therefore apparent that at least part of the common folklore of fleet management is shared among fleet managers: the fleet managers themselves feel under-appreciated and poorly understood by peers and superiors even while the key nature of their jobs is requiring greater perceived access to top managers. Of course, we did not direct these questions also to a sample of non-fleet managers, and we cannot know whether *all* managers tend to feel this way. Perceptions of such things as job level and salary of

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"The majority feel they have considerable control."

peers may, however, be based on good information in many organizations; the fleet managers' perceptions could be well-founded.

Professionalism of Fleet Managers

Organization theorists distinguish between occupations and professions on the grounds that the latter encompass a specialized body of knowledge, enjoy some external recognition or certification of professional status (which often requires special training), serve as means for identifying and interacting with peers in other organizational and geographic locations, have a great deal of autonomy, and subscribe to a code of ethics (or norms of service). Overall, fleet managers reported substantial autonomy in making decisions in a variety of fleet areas and clearly indicated a perceived sense of professionalism.

Fully 91 percent agreed that fleet management has a special body of knowledge, and 76 percent agreed that fleet managers must know many things that other managers don't need to know. Fleet managers do tend to have general academic training, mostly in business; we do not, however, have comparable figures for other managers. A great majority (88.5 percent) of respondents had completed some college, and 54.5 percent held undergraduate degrees. Twenty percent had accomplished some graduate-level work or had graduate degrees. Of the 107 college graduates, 51.4 percent earned degrees in business administration or a specialty such as accounting, marketing, or finance. The other degrees ranged very broadly across liberal arts disciplines, social and physical sciences, and professional areas of study.

Almost all respondents keep up with NAFA's newsletter and other NAFA publications (91.2 percent and 89.2 percent, respectively, reported "frequent participation on these two items"), indicating both attention to a possibly specialized body of knowledge and the outreach to one's peers that characterizes professionals. Indeed, respondent fleet managers have a fairly high overall participation level in the activities of NAFA (a possible bias in the sample, of course, since we used the NAFA mailing list). Many respondents are active in other professional associations as well. A substantial minority — about 46 percent in both cases — attend the annual meeting frequently or attend local or regional chapter meetings. Fewer respondents attend special training programs or regional seminars frequently (28.2 percent and 20.9 percent, respectively). Seventy-two percent thought that fleet managers should have special training, but only 37 percent of respondents were neutral or did not answer this question.

The fleet manager's autonomy within the organization was addressed explicitly by asking respondents to agree or disagree with the statement, "I have a great deal of control over..." various aspects of fleet management. It is clear that the majority of respondents feel that they have considerable control over all the important categories of decisions concerning fleet management functions, but that the number of managers with such control decreases considerably in areas having to do with budgeting and capital expenditures. Overall, 66.5 percent of respondents agreed that "as things are now, I feel that I have enough power to make decisions and implement them to administer the fleet effectively."

Norms of service (a concept with the ethical connotation of having a professional responsibility to fulfill some set of obligations) were quite strong among respondent fleet managers. Over 77 percent agreed that "a fleet manager's primary responsibility is to provide service to his or her employer," and 69 percent agreed that "a fleet manager's primary responsibility is to provide service to fleet users." Obviously, neither of these groups — employers and fleet users — are seen as having priority; norms of service apply to both almost equally.

It is thus no wonder that over three-fourths of the sample (76 percent) agreed with the statement, "I wouldn't hesitate to call myself a professional fleet manager." Fleet managers exhibit at least the self-perception of an emerging profession, though support for formal certification seems as yet mixed.

If fleet managers behave as well as look like professionals, we may expect to see some of the behavioral patterns that can characterize professionals in general. Professionalization may help to develop and sustain high levels of service quality. Emphasis on a distinct body of knowledge and special training needs can lead to better preparation for fleet management and support for expansion of the knowledge base. Innovations developed by members of the profession outside a particular organization may be quick to spread the organization through contacts in professional association. Professional norms, apart from the particular reward system in any given organization, can help determine the quality of job performance.

As the academic literature makes clear, however, professionalization can bring problems as well as benefits. Professional ties can sometimes mean excessive independence of the needs of the particular organization in which a practitioner works; there can be a tug-of-war between alliance to the company's policies and to professional prescriptions. Certification can mean both attainment of some level of professional achievement and the discouragement of levels yet higher. It can also mean the creation of entry barriers to aspirants to the profession, much as bar and medical exams limit the number of lawyers and physicians. These may be issues that the emerging profession of fleet management can expect to face in the coming years.

Trends in the Control of Fleets and the Use of Fleet Services

The increasing complexity and other changes in the environment of fleet management have brought with them changes in aspects of the control of fleets and the use of fleet services.

"The median number of years worked was 16 to 20."

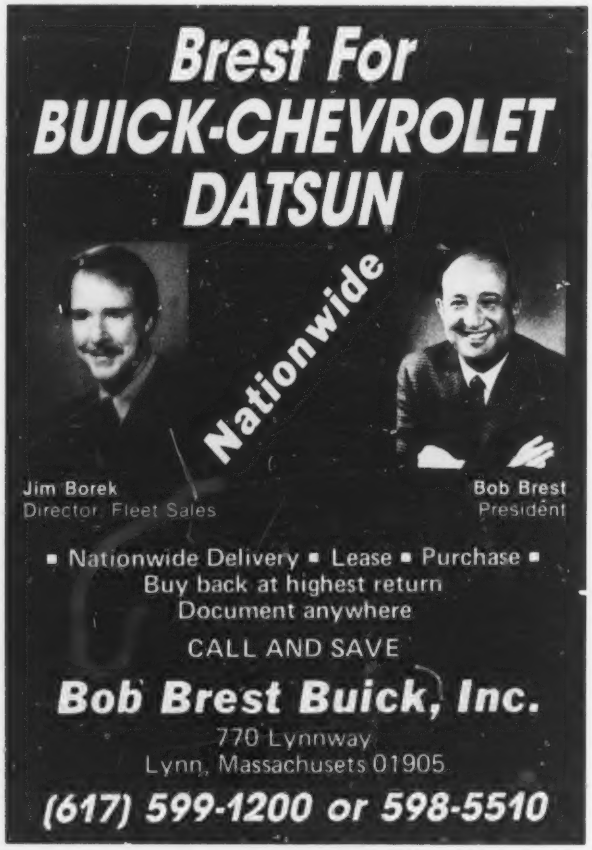
Fleet managers are now increasingly employed full-time at fleet management. Two-thirds of the respondents are full-time fleet managers with no substantial responsibilities in non-fleet-related areas. Among the one-third who have other major duties, many are involved with budget and credit card administration, and a smaller proportion are responsible for physical plant maintenance, janitorial services, travel and moving arrangements, printing, and insurance. Only 12 respondents indicated that secretarial services were among their primary responsibilities.

Just about half have held their fleet manager's jobs for less than five years; only 16.7 percent of respondents have been in their current jobs for more than 10 years. These findings suggest a good deal of mobility to and from the fleet manager's position in respondent organizations. Among respondents, the median number of years worked altogether was 16 to 20. Fleet management, it seems, is a function entrusted primarily to mature individuals who have gained considerable work experience in some non-fleet area.

As expected, there is no standard organizational location for the fleet management function. Our respondents reported being located in a wide variety of departments or organizational units. Almost 20 percent said that fleet management was located within the general manager's purview, and from there the responses were quite widely dispersed.

The survey sought to ascertain the effects of a few recent developments in fleet composition, including downsizing and increased purchase of "loaded down" vehicles. Most fleet managers acknowledge that larger, more expensive automobiles with many options typically are used as rewards or prequisites of senior positions: 67 percent of respondents agreed that "in this organization, employees in higher positions are entitled to use larger, fancier, more valuable fleet vehicles." A potential source of difficulty for fleet managers appeared, however: 70 percent of respondents indicated that "most users prefer larger, more powerful automobiles," but 81 percent also stated that they had deliberately downsized fleet vehicles over the past 10 years.

Several questions provided some interesting insights to relationships between options, type of use, and fleet vehicle maintenance. Respondents did *not* believe that users will take better care of "loaded down" vehicles —only 17.5 percent agreed with this statement. Respondents did agree (53.5 percent) that fleet users who carry important customers take better care of their cars, and a substantial minority (45 percent) noted that users who were



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". . .wide use of fleet leasing companies was reported."

able to choose options they wanted tended to take better care of their vehicles. On the other hand, respondents agreed for the most part that "loaded down" vehicles (with many options) were easier to resell (66.5 percent agreed with this statement), and that such vehicles were likely to bring higher resale prices (52.5 percent agreed).

These questions begin to address the difficult question of control of fleet users. Given high initial costs, the need to preserve resale value, and the need to avoid expensive maintenance and ensure reliability, most fleet mangers would prefer that their vehicles be treated as if driven around the block twice a year by little old schoolteachers. Since this is unlikely, fleet managers must pay attention to the incentive system that encourages (or discourages) fleet users from taking care of their vehicles. Study of that incentive system and the ways in which it can be manipulated by fleet managers could be of direct managerial benefit. Our present study only looked tentatively at a few of these issues; future work may examine it in more depth.

Among the changes in fleet operations that we examined was the recent increased uses of certain services of fleet leasing companies. As expected, wide use of fleet leasing companies was reported with 55.5 percent of respondents, indicating that their organization had made use of fleet leasing company within the past year. We did ask several questions of those who had *not* used a fleet leasing company within the past year. Among those who responded, 29 said that their organization had used a leasing company within the past five years (which constituted 14.5 percent of respondents who had not used a leasing company in the past year). Only 18 non-users felt that their organizations would use a fleet leasing company within the next year or two.

We also asked questions concerning fleet-related services, how they are provided, and the degree of satisfaction with service provision for those respondents who reported using a fleet leasing company. Open-ended leases are much more likely to be provided by these companies than are closed-ended ones; 13.7 percent of respondents participate in closed-ended leases, compared with 52.5 percent who participate in open-ended leases. Fleet leasing companies were less likely to have provided fleet purchasing services, open-ended leasing, fleet management services, maintenance programs, disposal services, regulatory assistance, and publications five years ago than now. Only closed-ended leases were more common five years ago.

Among those respondents using the services, the potential loss of several services was seen as posing considerable hardships. Such services included fleet purchasing, open-ended leasing, fleet management services, fleet disposal, and regulatory assistance (between 30.6 and 41.7 percent of respondents indicated that withdrawal of these services would be a considerable hardship). Fleet leasing company users tend to be satisfied, on the whole, with the services they receive. Service areas that might bear watching in the future, however, include fleet management services (16.4 percent sometimes or rarely satisfied), maintenance programs (13.2 percent sometimes or rarely satisfied), and regulatory assistance (11.1 percent sometimes or rarely satisfied).

Fleet leasing companies have clearly expanded their services from basic to leasing to a portfolio of services needed across the life of the vehicle. For many companies these special services have become quite important in the complex environment developing in fleet management. One future question for study would be the contingencies that indicate when such services should be purchased rather than provided in-house. When should our boundary-spanning fleet managers reach into the external environment to find new agents for the organization, such as fleet leasing companies?

Conclusion

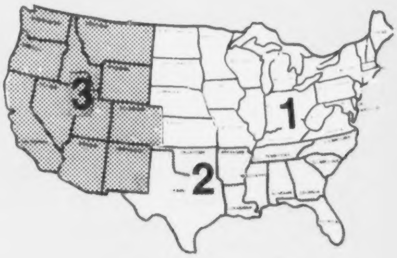
Although few definitive statements can be made about the nature of fleet management or its environment on the basis of the frequency distributions compiled so far, several interesting findings have emerged from this portion of the the NAFA Survey Project.

A striking finding is that the fleet management environment, described by respondents as seeming very complex (and much more complex than it used to be), does not have very many constituencies in it. Out of our list of 38 internal and external constituencies, respondents focused on no more that a dozen in terms of frequency of interaction, frequency of problems, and importance to the fleet management function. This suggests, perhaps, that the environmental configurations of fleet management have become more complicated not because new constituencies are added to the field, but because relations among constituencies have themselves grown more complex.

While the descriptive results of the study are interesting in themselves, they also begin to suggest ways in which improved knowledge of fleet management can be developed. By identifying key constituencies, we can better focus efforts to improve relationships with them. By understanding the nature and sources of complexity in the job and environment of fleet management we can more easily develop means of coping with it. By being sensitive to the dimensions and behavior of professionalism among fleet managers we can more readily take advantage of its benefits and perhaps avoid its negative features. By tracking trends in fleet control methods and service provision by fleet leasing companies we can begin to identify the contingencies that tell us when fleet managers should adopt certain control means or rely on outside service provisions. It certainly helps to convert the folklore of everyday conversation to the grounded details of a firmer understanding of fleet management.

Used Cars

The following are average car prices for the period ending November 30, 1983. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone3**
82 AMC CONCORD			
Sdn 6-4	4337	4381	4294
Sta Wgn 30	4562	4607	4516
81 AMC CONCORD			
Sdn 6-4 Dr	3505	3540	3469
Sta Wgn	3690	3726	3653
82 BUICK SKYLARK			
Sdn	5231	5284	5180
81 BUICK SKYLARK			
Sdn	4277	4319	4235
82 BUICK REGAL			
Turbo Cpe	6997	7066	6926
Cpe	6779	6847	6712
81 BUICK REGAL			
Turbo Cpe	6107	6168	6046
Cpe	5895	5933	5836
82 BUICK LESABRE			
Sdn	7508	7583	7433
81 BUICK LESABRE			
Sdn	5862	5921	5803
82 CADILLAC			
Cpe DeVille	11842	11961	11724
Sdn DeVille	11771	11889	11654
81 CADILLAC			
Cpe DeVille	9245	9339	9152
Sdn DeVille	9183	9275	9092
82 CHEVY			
Chvt Htchbk 4-Dr	3646	3683	3611
Camaro Cpe8	7506	7581	7431
81 CHEVY			
Chvt Htchbk	2793	2821	2765
Camaro Cpe 8	5639	5695	5584
82 CHEVY CITATION			
Cpe 6	4251	4295	4209
81 CHEVY CITATION			
Cpe 6 Htchbk	3538	3574	3503
82 CHEVY MALIBU			
Sdn	5875	5934	5815
81 CHEVY MALIBU			
Cpe	4537	4581	4492
Sdn	4557	4502	4412
Clas Cpe	4851	4900	4803
82 CHEVY MONTE CARLO			
Cpe	6379	6443	6316
81 CHEVY MONTE CARLO			
Cpe	5633	5690	5577
82 CHEVY IMPALA			
Sdn	6476	6541	6411
Imp Wgn 9	6731	6798	6665
81 CHEVY IMPALA			
Sdn	5120	5171	5069
Cpe	5144	5194	5092
Est Wgn 9	5334	5387	5281
82 CHRYSLER			
LeBaron Sdn	6150	6212	6089
81 CHRYSLER			
Npt Sdn	5379	5431	5325

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone3**
82 DODGE OMNI			
4 Dr Htchbk	3655	3692	3619
81 DODGE OMNI			
4 Dr Htchbk	3043	3073	3013
82 DODGE ARIES			
Cpe	4894	4944	4845
81 DODGE ARIES			
Sdn	4226	4268	4183
82 DODGE DIPLOMAT			
Sln Sdn	5277	5329	5224
81DODGE DIPLOMAT			
Sln Cpe	4510	4556	4465
Sln Sdn	4510	4556	4465
82 FORD FAIRMONT			
Futura Sdn 4Dr	4589	4634	4543
81 FORD FAIRMONT			
Sdn 4 Dr	3563	3598	3527
82 FORD MUSTANG			
Cpe 4	4647	4694	4602
81 FORD MUSTANG			
Cpe 4	3913	3953	3874
82 FORD GRANADA			
Sdn 6-L	5295	5348	5241
81 FORD GRANADA			
Sdn 8-L	4266	4310	4226
82 FORD LTD			
Sdn	6707	6774	6640
81 FORD LTD			
Sdn	5353	5406	5299
81 FORD ESCORT			
Sdn 4 Dr	3145	3177	3114
82 FORD CROWN VIC			
Sdn	7552	7628	7476
81 FORD CROWN VIC			
Sdn	6065	6125	6004
82 FORD THUNDERBIRD			
Cpe	6479	6544	6413
81 FORD THUNDERBIRD			
Cpe	5542	5597	5485
82 LINCOLN CONTINENTAL			
Sdn	13135	13266	13004
Mark VI Sdn	13141	13272	13010
81 LINCOLN CONTINENTAL			
Sdn	9272	9364	9179
Mark VI Sdn	11153	11265	11042
82 MERCURY COUGAR			
GS Cpe	5339	5393	5286
Sdn	5339	5393	5286
81 MERCURY COUGAR			
Cpe	4306	4349	4262
Sdn	4306	4349	4262
81 MERCURY ZEPHYR			
Sdn 2 Dr	3595	3631	3559
82 MERCURY LYNX			
HthBk 3-Dr	3812	3851	3775

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone3**
82 MERCURY MARQUIS			
Sdn	7063	7134	6993
81 MERCURY MARQUIS			
Sdn	5714	5770	5657
Wgn-2	5837	5895	5779
82 OLDS CIERA			
Cpe	7459	7534	7385
Sdn	7558	7634	7483
82 OLDS CUTLASS SUPREME			
Cpe	6779	6847	6712
Sdn	6519	6585	6454
81 OLDS CUTLASS			
Sdn	5330	5586	5475
Sup Cpe	5895	5953	5836
82 OLDS DELTA 8			
Sdn	7272	7345	7199
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2856	2884	2827
82 PLYMOUTH RELIANT			
Cpe	4870	4919	4827
81 PLYMOUTH RELIANT			
Cpe	4205	4247	4163
81 PONTIAC FIREBIRD			
Cpe 8	7522	7596	7447
81 PONTIAC LEMANS			
Cpe 8	4751	4798	4703
82 PONTIAC PHOENIX			
Cpe	5045	5095	4996
Htchbk Sdn	5045	5095	4996
81 PONTIAC PHOENIX			
Cpe 6	4083	4124	40[illegible]1
81 PONTIAC CATALINA			
Sdn	5398	5452	5344
Bonneville Sdn	5959	6017	5899
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4157	4198	4115
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3361	3395	3327
IMPORTS			
82 DATSUN			
210 2 Dr	3548	3583	3512
Sentra 2 Dr	3871	3908	3832
Stanza Htchbk	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2934	2963	2906
510 2 Dr	3798	3835	3760
810 Sdn 4 Dr	5750	5808	5692
82 TOYOTA			
Corolla 2 Dr	4514	4559	4469
Celica St	5685	5[illegible]4[illegible]	5628
Corona Sdn Lux	5956	6016	5896
81 TOYOTA			
Corolla 2 Dr Sdn 4Sp	3180	3212	3148
Celica St Spt Cpe	4428	4473	4384
Corona Sdn 4 Dr	4123	4165	4083

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THE MANAGEMENT MAGAZINE FOR CAR
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FEBRUARY 1984 VOL. 23, NO. 4

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On our cover: Proposed legislation H.R. 1415 is proving to be a proverbial can of worms. In this month's AF, industry heavyweights argue the bill's pros and cons before a House subcommittee.

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READER UPDATE

Calendar

FEBRUARY

1-2 — Basic Principles of Fleet Management, National Association of Fleet Administrators, Orlando, FL.

1-5 —Truck Rental and Leasing Association, Fairmont, San Francisco, CA.

4-7 — National Automobile Dealers Association, Dallas, TX.

9-12 — Eastern & Western Auto Auction Association, Winter Meeting, Hyatt Regency, Dallas, TX.

19 — Essentials of Leasing Workshop, Consumer Bankers Assoc., Arlington, VA.

27-29 — Van Expo, Louisiana Superdome, New Orleans, LA.

MARCH

4-8 — American Automotive Leasing Association Convention, Doral Country Club, Miami, FL.

16-18 — Automotive Fleet and Leasing Association Convention, Sheraton Grande, Los Angeles, CA.

18-21 —National Association of Fleet Administrators, Bonaventure Hotel, Los Angeles, CA.

19-22 — Motor Vehicle Maintenance Conference, Univ. of Washington, Seattle, WA.

21-24 — National Truck Equipment Association, Convention Center, Baltimore, MD.

APRIL

1-4 — National Car Rental Licensees, Orlando, FL.

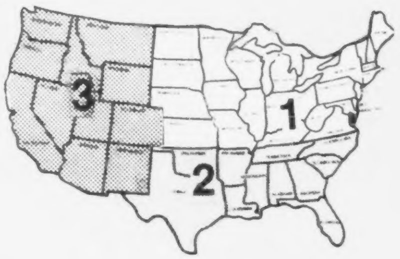
11-14 — National Association of Van Pool Operators, Regency Hotel, Dallas, TX.

Gas Prices

	UNLEADED	
City	**Full-Serve**	**Self-Serve**
Flagstaff, AZ	145.9	133.9
Needles, CA	159.8	140.9
Wilmington, DE	143.0	110.7
Melbourne, FL	130.9	113.9
Rockford, IL	151.4	126.4
Wichita, KS	133.2	112.6
Louisville, KY	140.2	113.9
Kalamazoo, MI	155.9	127.9
Rochester, MN	153.4	127.9
Camden, NJ	110.9	110.9
Brooklyn, NY	135.7	132.7
Philadelphia, PA	136.5	115.4
Houston, TX	134.6	109.9
Arlington, VA	155.4	120.4
Greenbay, WI	138.4	124.9

Survey conducted during the first five working days of January, 1983. Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Used Cars



The following are average car prices for the period ending January 18, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	4124	4165	4084
Sta Wgn 30	4338	4381	4293
81 AMC CONCORD			
Sdn 6-4 Dr	3331	3365	3298
Sta Wgn	3508	3542	3472
82 BUICK SKYLARK			
Sdn	4949	4999	4899
81 BUICK SKYLARK			
Sdn	4066	4107	4027
82 BUICK REGAL			
Turbo Cpe	6687	6753	6619
Cpe	6478	6543	6414
81 BUICK REGAL			
Turbo Cpe	5836	5894	5778
Cpe	5634	5689	5577
82 BUICK LESABRE			
Sdn	7211	7283	7140
81 BUICK LESABRE			
Sdn	5602	5659	5546
82 CADILLAC			
Cpe DeVille	11259	11373	11147
Sdn DeVille	11193	11303	11081
81 CADILLAC			
Cpe DeVille	8701	8790	8613
Sdn DeVille	9642	8729	8557
82 CHEVY			
Chvt Htchbk 4-Dr	3130	3160	3099
Camaro Cpe8	7136	7208	7066
81 CHEVY			
Chvt Htchbk	2629	2655	2603
Camaro Cpe 8	5417	5470	5363
82 CHEVY CITATION			
Cpe 6	4245	4287	4201
81 CHEVY CITATION			
Cpe 6 Htchbk	3347	3381	3313
82 CHEVY MALIBU			
Sdn	5529	5585	5473
81 CHEVY MALIBU			
Cpe	4314	4355	4271
Sdn	4238	4281	4195
Clas Cpe	4612	4659	4567
82 CHEVY MONTE CARLO			
Cpe	6034	6095	5975
81 CHEVY MONTE CARLO			
Cpe	5329	5383	5275
82 CHEVY IMPALA			
Sdn	6157	6219	6069
Imp Wgn 9	6400	6464	6337
81 CHEVY IMPALA			
Sdn	4869	4917	4820
Cpe	4891	4938	4841
Est Wgn 9	5071	5121	5021
82 CHRYSLER			
LeBaron Sdn	5878	5937	5819
81 CHRYSLER			
Npt Sdn	5141	5191	5089

AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone3
82 DODGE OMNI			
4 Dr Htchbk	3451	3486	3417
81 DODGE OMNI			
4 Dr Htchbk	2872	2902	2845
82 DODGE ARIES			
Cpe	4597	4644	4550
81 DODGE ARIES			
Sdn	3974	4013	3932
82 DODGE DIPLOMAT			
Sln Sdn	5018	5067	4968
81DODGE DIPLOMAT			
Sln Cpe	4288	4331	4245
Sln Sdn	4288	4331	4245
82 FORD FAIRMONT			
Futura Sdn 4Dr	3354	3386	3320
81 FORD FAIRMONT			
Sdn 4 Dr	3563	3598	3527
82 FORD MUSTANG			
Cpe 4	4440	4487	4398
81 FORD MUSTANG			
Cpe 4	3716	3756	3680
82 FORD GRANADA			
Sdn 6-L	5035	5085	4983
81 FORD GRANADA			
Sdn 8-L	4058	4097	4019
82 FORD LTD			
Sdn	6443	6506	6378
81 FORD LTD			
Sdn	5141	5192	5090
81 FORD ESCORT			
Sdn 4 Dr	2929	2959	2901
82 FORD CROWN VIC			
Sdn	7253	7326	7180
81 FORD CROWN VIC			
Sdn	5825	5883	5767
82 FORD THUNDERBIRD			
Cpe	6160	6222	6097
81 FORD THUNDERBIRD			
Cpe	5269	5321	5215
82 LINCOLN CONTINENTAL			
Sdn	12616	12742	12491
Mark VI Sdn	12622	12748	12496
81 LINCOLN CONTINENTAL			
Sdn	8879	8967	8789
Mark VI Sdn	11099	10820	10605
82 MERCURY COUGAR			
GS Cpe	5076	5127	5026
Sdn	5076	5127	5026
81 MERCURY COUGAR			
Cpe	4093	4136	4052
Sdn	4093	4136	4052
81 MERCURY ZEPHYR			
Sdn 2 Dr	3383	3417	3350
82 MERCURY LYNX			
HthBk 3-Dr	3569	3607	3534

AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone3
82 MERCURY MARQUIS			
Sdn	6784	6853	6717
81 MERCURY MARQUIS			
Sdn	5488	5542	5433
Wgn-2	5607	5663	5550
82 OLDS CIERA			
Cpe	5984	6045	5924
Sdn	6067	6128	6007
82 OLDS CUTLASS SUPREME			
Cpe	6478	6543	6414
Sdn	6230	6293	6168
81 OLDS CUTLASS			
Sdn	5285	5338	5232
Sup Cpe	5634	5689	5577
82 OLDS DELTA 8			
Sdn	6985	7055	6915
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2880	2909	2853
82 PLYMOUTH RELIANT			
Cpe	4583	4629	4538
81 PLYMOUTH RELIANT			
Cpe	3958	3997	3919
81 PONTIAC FIREBIRD			
Cpe 8	5470	5526	5416
81 PONTIAC LEMANS			
Cpe 8	4517	4562	4472
82 PONTIAC PHOENIX			
Cpe	4772	4820	4726
Htchbk Sdn	4772	4820	4726
81 PONTIAC PHOENIX			
Cpe 6	3843	3881	3802
81 PONTIAC CATALINA			
Sdn	5154	5206	5103
Bonneville Sdn	5665	5721	5609
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4074	4114	4033
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3294	3327	3260
IMPORTS			
82 DATSUN			
210 2 Dr	3442	3476	3407
Sentra 2 Dr	3813	3849	3775
Stanza Hbk 2 Dr DLK	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2890	2919	2862
510 2 Dr Sdn	3684	3720	3647
810 DL 4 Dr	5664	5721	5607
82 TOYOTA			
Corolla Sedan 2 Dr	4469	4513	4424
Celica St Cpe	5628	5684	5572
Corona Sdn Lux (AT)	5896	5956	5837
81 TOYOTA			
Corolla 2 Dr Sdn DLX	3576	3612	3541
Celica St Spt Cpe	4339	4384	4296
Corona Sdn 4 Dr DLK	4041	4082	4001

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march 1984

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MAGAZINE FOR CAR
OPERATORS

3/6/84
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- Top 100
- Top '84 Buys
- GM C-Bodies

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MARCH 1984 VOL. 23, NO. 5

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On our cover: Oldsmobile's General Manager Joseph Sanchez poses beside his division's proud, new C-Body.

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READER UPDATE

Calendar

MARCH

4-8 — American Automotive Leasing Association Convention, Doral Country Club, Miami, FL.

16-18 — Automotive Fleet and Leasing Association Convention, Sheraton Grande, Los Angeles, CA.

18-21 —National Association of Fleet Administrators, Bonaventure Hotel, Los Angeles, CA.

19-22 — Motor Vehicle Maintenance Conference, Univ. of Washington, Seattle, WA.

21-24 — National Truck Equipment Association, Convention Center, Baltimore, MD.

APRIL

1-4 — National Car Rental Licensees, Orlando, FL.

2-3 — Seminar: Leasing — Techniques and Analysis, Airport Hilton, Los Angeles, CA. Info: (518) 891-1500.

11-13 — National Association of Van Pool Operators, Registry Hotel, Dallas, TX.

12-13 — Seminar: Leasing Techniques and Analysis, Executive Tower Inn, Denver, CO, and Logan Airport Hilton, Boston, MA. Info: (518) 891-1500.

MAY

16-20 — Western Vehicle Leasing Association, Americana Canyon Hotel, Palm Springs, CA.

JUNE

10-13 — Electric Utility Fleet Manager's Conference, Williamsburg, VA.

Gas Prices

UNLEADED

City	Full-Serve	Self-Serve
Birmingham, AL	153.4	114.4
San Francisco, CA	139.9	119.1
Colorado Springs, CO	140.4	118.9
Washington, DC	149.0	122.5
Key West, FL	152.9	139.9
Augusta, GA	131.9	118.4
Chamapign, IL	155.9	124.2
Hyannis, MA	120.9	113.8
Baltimore, MD	138.9	118.8
Flint, MI	155.9	119.4
Joplin, MO	130.9	111.4
Long Island City, NY	137.6	137.6
Philadelphia, PA	135.4	114.0
Memphis, TN	137.6	111.2
Fort Worth, TX	137.6	108.2

Survey conducted during the first five working days of February, 1984. Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

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Industry News

Golden Gate Auto Auction, based in Fremont, CA. Anglo American now rates as the second largest vehicle auction group in the U.S. Sandgate offers vehicle leasing and owns a Ford dealership in the New York area; net earnings for the company's last fiscal year were $2.7 million.

FLEET MANAGERS MOVING TO COMPUTERIZATION

According to *Runzheimer Reports on Transportation*, nearly 20 percent of fleet managers are using computers for mileage and repair-cost tracking, maintenance reminders, and audit data. Runzheimer recently surveyed close to 600 U.S. and Canadian fleet managers; in addition to increased computerization, they also found that 31 percent of respondents are in the process of either evaluating or improving maintenance scheduling, reporting, or tracking of expenditures.

Ten percent of the respondents recorded efforts to educate and inform drivers about maintenance. Seven percent said they were changing their fleet composition, making such moves as buying Chryslers and eliminating diesels. And 4 percent said that they will be turning to a third party, most frequently a lessor, for their maintenance program; most of these will rely on computer-generated reports.

STEPS ANTICIPATED IN 1984
TO GAIN GREATER CONTROL OF FLEET MAINTENANCE PROGRAMS*

Evaluate/Improve control of maintenance scheduling, reporting, and expenditures	31%
Investigate/Establish/improve computerized preventive maintenance program	19%
Educate/Inform drivers regarding necessary maintenance	10%
Nothing: Have adequate program	9%
Fleet changes	7%
Investigate/Install a third party maintenance lease/program	4%
Revise/Expand preventive maintenance program	4%
Develop maintenance policies/standards/statistics/program	4%
Initiate maintenance-related personnel changes/assignments	3%
Train/Evaluate mechanics	3%
Expand in-house service	2%
Improve communication to managers of drivers	1%
Improve communication to field supervisors	1%
Increase communications	1%
Change type of ownership to employee-owned	1%
Put pressure on manufacturers to be accountable for excessive maintenance problems	1%
Adhere to national account pricing	1%
Improve management/supervision of maintenance program	1%
Centralize maintenance/repair activity	1%
Don't know	1%
Miscellaneous (less than one percent response for each)	9%

*Total exceeds 100 due to multiple answers.

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AF's Fifth Annual

TOP 100

Business and Corporate Fleets

Automotive Fleet's Top 100

Our fifth annual *Automotive Fleet* Top 100 business and corporate fleet listing is the most accurate and complete that our research department has been able to assemble. There still remain a few fleets reluctant to share their data with us for proprietary reasons, but we have found most quite cooperative. As the listing grows more established, a certain pride exists for the earned rankings.

The guidelines remain the same: only business/corporate fleets with centralized control over the entire fleet are given consideration. This single factor of centralization causes the most shifts in rankings, as mergers take effect, adding to one's fleet, or decentralization takes place, reducing it.

Prime examples of firms not listed are those such as IBM, which personifies the large fleet with sales and technical personnel operating thousands of cars and vans, but under a salesmen-owned and mileage-paid program with IBM reimbursement. One of our largest firms dropped in ranking when we learned that they were counting both company-owned and employee-owned vehicles in a dual program.

Gulf Oil rose from forty-fourth to thirty-second with a centralization program within the firm (now called the Fleet Lessor Division). Pepsi-Cola dropped from seventh to ninety-sixth when the new fleet manager found that lift trucks had been included in previous reporting. For the record, *AF*'s research department queried nearly 150 companies from records indicating they are the largest fleets. Each was questioned for an accurate number of cars and light trucks (10,000 GVW and under), the key fleet manager contact in control, and their ownership/lease status.

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Circle 119 on Inquiry Card

Automotive Fleet's Top Business and Corporate Fleets

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
1	1	Sears Roebuck & Co. Chicago, IL	William H. Jones, III	X	—	400	13,000	13,400
2	3	Frito-Lay, Inc. Dallas, TX	Gorman R. Green Marvin Crow Charles Loveless	X	—	907	12,266	13,173
3	2	Xerox Corp. Rochester, NY	Ron Pink	—	LMV, Gelco, USFL, Leaseway	9,500	2,500	12,000
4	4	Tupperware Orlando, FL	Bernie Janis Joe Fox	—	"In-House" Leasing	10,300	—	10,300
5	5	Digital Equipment Maynard, MA	Rick Catino	X	PH&H Gelco	8,582	851	9,433
6	6	Honeywell, Inc. Minneapolis, MN	Connie Wesley	—	Gelco PH&H	6,446	2,325	8,771
7	8	Minnesota Mining & Mfg. St. Paul, MN	Tim R. Hoffman H.P. Larson	X	—	6,749	1,652	8,401
8	17	ARA Services Philadelphia, PA	Ralph Jamic	X	—	2,500	5,000	7,500
9	9	Standard Oil Co. (Ind.) Chicago, IL	Richard Swanson	X	—	4,000	3,500	7,500
10	10	Church of Jesus Christ of Latter Day Saints Salt Lake City, UT	Don Benson	X	—	6,680	530	7,210
11	20	Carrier Corp./ United Technologies Corp., Hartford, CT	Harold Tibbits	X	PH&H Avis	6,000	1,200	7,200

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
12	12	State Farm Insurance Bloomington, IL	Tom Sours	X	—	6,705	175	6,880
13	13	Westinghouse Pittsburgh, PA	Lou Dobak	—	"In-House" Leasing	4,250	2,515	6,765
14	14	Borg Warner Corp. Schaumburg, IL	Phylls Howard	X	"In-House" Leasing	5,200	1,500	6,700
15	31	Federal Express Corp. Memphis, TN	George Bollor	X	HLR Corp.	7	6,649	6,656
16	15	Shaklee Corp. San Francisco, CA	Peter D. Wood	X	"In-House" Leasing	6,350	50	6,400
17	18	Dow Chemical USA Midland, MI	Ron Smith Tim Sheehan	—	CC/McCullagh Gelco	3,500	2,500	6,000
18	19	Union Carbide Corp. New York, NY	Walt Dzitko	X	Wheels Gelco	3,500	2,500	6,000
19	16	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	X	Fleet Services	3,959	1,945	5,904
20	21	Exxon Co. U.S.A. Houston, TX	Jack Lamb	X	—	3,000	2,800	5,800
21	70	Union Pacific System Omaha, NE	John Dyer	X	Gelco	1,500	3,900	5,400
22	23	Goodyear Akron, OH	A.P. Spencer	X	—	1,894	3,288	5,182
23	25	Shell Oil Co. Houston, TX	J.A. "Judy" Wieman	X	—	2,200	2,850	5,050
24	26	Motorola Inc. Schaumburg, IL	Bob Kell	X	—	4,440	500	4,900

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
25	28	IC Industries Chicago, IL	E. Pierce Walsh Mary Anicich	X	Gelco	2,886	2,010	4,896
26	24	Nabisco Brands, USA E. Hanover, NJ	Frank Boduch	X	–	3,100	1,700	4,800
27	30	Eastman Kodak Co. Rochester, NY	Scott Thomas	X	PH&H	4,700	25	4,725
28	22	Dresser Industries Pittsburg, PA	John K. Hutchison	–	"In-House"	3,382	1,300	4,682
29	40	Aetna Life & Casualty Hartford, CT	Martin F. Crean	X	Gelco PH&H	4,302	338	4,640
30	27	Rollins Inc. Atlanta, GA	Porter Thompson	X	B&M Equip., U.S. Fleet Lsg.	1,485	2,978	4,463
31	33	Control Data Corp./ Commercial Credit Minneapolis, MN	Kathleen L. Wester	–	CC/McCullagh	3,900	300	4,200
32	44	Gulf Oil Corp. Houston, TX	John Bard	–	ARI, Wheels	2,500	1,700	4,200
33	34	U.S. Steel Pittsburgh, PA	W.T. "Bill" Herlihy	X	ARI, LMV, U.S. Fleet Lsg.	2,000	2,200	4,200
34	32	Burlington Northern Railroad, St. Paul, MN	John Long	–	ARI, Lend Lease, Gecal, Gelco, BankAmeriLease	1,100	2,900	4,000
35	37	Teledyne, Inc. Los Angeles, CA	Robert A. Forsey	X	–	2,800	1,200	4,000
36	39	Purolator Services, Inc. New Hyde Park, NY	Jack Neusch	X	–	481	3,500	3,981
37	38	Phillips Petroleum Co. Bartlesville, OK	J.I. Grillot E.A. Taylor	X	–	1,332	2,620	3,952

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
38	36	Johnson Controls, Inc. Milwaukee, WI	Bob Borchert	X	Gelco Southgate	1,410	2,500	3,910
39	35	General Electric — Major Appliance Business Group, Louisville, KY	Mary Sue Leach V.J. Miska	X	—	1,200	2,600	3,800
40	29	W.R. Grace & Co. New York, NY	Edward Boehme	X	PH&H	2,300	1,500	3,800
41	11	Ashland Oil, Inc. Ashland, KY	Mary Lou Dougherty	X	PH&H Gelco	3,200	550	3,750
42	41	Procter & Gamble Co. Cincinnati, OH	Clarence O'Dell	X	—	3,600	—	3,600
43	43	Canteen Corp. Chicago, IL	Mark Klein	X	—	1,000	2,500	3,500
44	42	Revlon, Inc. New York, NY	R. Breault	—	PH&H Gelco	3,300	25	3,325
45	48	Travelers Insurance Hartford, CT	Art Derderian	—	PH&H	3,300	—	3,300
46	47	Transamerica Corp. Los Angeles, CA	Bill Slothour	X	"In-House" Leasing	3,075	150	3,225
47	49	Brown & Root, Inc. Houston, TX	Roger Ivey	X	—	1,200	2,000	3,200
48	45	NL Industries, Inc. Houston, TX	Bernie Hodgeson Nancy Reingold Jeri Edmiston	X	PH&H U.S. Fleet Lsg.	1,696	1,444	3,140
49	52	Marathon Oil Co. Houston, TX	Lois Smith	X	Gelco Wheels	1,130	1,922	3,052
50	46	PPG Industries Pittsburgh, PA	Vic Pelletier	X	Leaseway Dresser Ind.	2,025	1,025	3,050
51	82	General Foods Corp. White Plains, NY	Chris Pollard	X	—	2,776	80	2,856

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
52	54	Continental Insurance New York, NY	William J. Benzie	X	—	2,800	50	2,850
53	77	Getty Refining Tulsa, OK	Elmore Isaacs	X	—	775	1,950	2,725
54	51	Diebold, Inc. Canton, OH	Dave Allton	—	PH&H Leaseway	1,076	1,614	2,690
55	58	Philip Morris U.S.A. New York, NY	Gregory J. Tarring	—	PH&H Gelco	2,600	45	2,645
56	60	Seaboard System RR Jacksonville, FL	Margaret M. Powell	X	Contracts in process	739	1,821	2,560
57	53	Montgomery Ward Chicago, IL	Roseann Neveitt	—	Gelco	290	2,268	2,558
58	50	CIGNA Corp. Philadelphia, PA	Timothy Hagarty Howard Dunn	X	ARI, PH&H	2,530	25	2,555
59	57	Crawford & Co. Atlanta, GA	B.L. Garrett	—	Calesco, Inc. "In-House" Leasing	2,500	—	2,500
60	65	Hoffman LaRoche Nutley, NJ	Dave Figurelli	—	PH&H Wheels, Inc.	2,200	300	2,500
61	63	Merck & Co., Inc. Rahway, NJ	Alma Cristauro	—	PH&H	2,313	168	2,481
62	62	Hartford Insurance Hartford, CT	Vincent Castagno	X	—	2,400	75	2,475
63	64	Avon Products, Inc. New York, NY	Denise Ryan	—	Gelco Dart & Kraft	2,400	69	2,469
64	56	General Mills Minneapolis, MN	Jim Rowe Henry Paetzel	X	—	2,035	380	2,415
65	69	Pfizer Inc. New York, NY	Gordon B. West	X	Gelco, Wheels PH&H	2,243	145	2,388
66	79	Bank of America San Francisco, CA	Don Dennler	X	—	2,258	124	2,382

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
67	68	FMC Corp. Chicago, IL	Lawrence Dakof	X	—	1,700	650	2,350
68	66	Chessie System Railroads Baltimore, MD	Pat McNulty	X	ARI, Bank-AmeriLease, New England Merchants	858	1,487	2,345
69	61	Champion International Stamford, CT	Jane W. Baker Lowell Petrey	X	PH&H	1,242	1,083	2,325
70	55	Gulf & Western Industries Inc. New York, NY	John W. Simon	—	Associates Lsg.	2,014	310	2,324
71	59	GAB Business Services New York, NY	G.J. Keenan	X	PH&H Dart & Kraft	2,320	2	2,322
72	78	Upjohn Company Kalamazoo, MI	Judy Rafferty	—	Wheels Leaseway	2,000	300	2,300
73	73	Kraft, Inc. Glenview, IL	Ed Jackstis	X	Dart & Kraft	2,250	40	2,290
74	—	Eli Lilly & Company Indianapolis, IN	Vic Hasler Sue Webster	X	Wheels, Inc.	2,022	195	2,217
75	72	Reliance Electric Cleveland, OH	Robert L. Burden	X	Industrial Lsg. Wheels American Lsg.	1,500	700	2,200
76	80	Economics Laboratory St. Paul, MN	James Igel Tom Laumann	X	—	2,031	131	2,162
77	85	Ingersoll Rand Piscataway, NJ	Debra Donske	—	Wheels	1,500	661	2,161
78	71	Smith Kline Corp. Philadelphia, PA	John Mahony Bill Haney	—	ARI Wheels	1,200	35	2,135
79	83	SCM Corp. Syracuse, NY	Bill Kelly	—	PH&H Wheels	1,875	235	2075
80	81	Farmers Insurance Group Pasadena, CA	Al Herzog	—	"In-House" Leasing	2,085	18	2,103

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	Trucks & Vans	Total
81	92	Eaton Corp. Cleveland, OH	R.J. Wagner	—	Lease-Way, Dart & Kraft	1,766	295	2,061
82	74	Liberty Mutual Insurance Co. Boston, MA	Barbara Feinberg	X	—	2,034	24	2,058
83	76	Hewlett Packard North Hollywood, CA	John T. Weber	X	—	2,049	15	2,054
84	84	Household Finance Prospect Heights, IL	Mary Kowalski	—	Lend Lease	2,000	7	2,007
85	86	Niagara Mohawk Syracuse, NY	Clay Bealer	X	"In-House" Leasing	517	1,472	1,989
86	87	Wausau Insurance Co. Wausau, WI	Bob Rakow Jean Heisler	—	Fleet Services, Gelco, USFL	1,862	16	1,878
87	88	USF&G Insurance Baltimore, MD	Charles H. Gittings	—	"In-House" Leasing	1,825	30	1,855
88	91	Bell & Howell Co. Lincolnwood, IL	Mike Winfield	—	CC/McCullagh, Wheels, ARI	1,840	11	1,851
89	90	Fireman's Fund Insurance Companies Novato, CA	Sylvia Jones Maurice Murray	X	—	1,800	50	1,850
90	93	St. Regis Paper Co. Nyack, NY	R.G. McCarthy	—	ARI, PH&H, Interlease Fleet Mgmt. Corp., Dart & Kraft	650	1,170	1,820
91	67	Cities Service Foundation, Tulsa, OK	Frank Kovacs	X	Wheels	891	923	1,814
92	96	Abbott Labs North Chicago, IL	Mack Taylor	—	PH&H Wheels	1,650	150	1,800
93	89	Brown & Williamson Tobacco Co. Louisville, KY	Bob Whitfield	X	—	1,100	668	1,768

'84 Rank	'83 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	# Lt. Trucks & Vans	Total
94	98	Keebler Co. Elmhurst, IL	Susan M. Stupak	—	Wheels Gelco	1,750	—	1,750
95	95	McDonald's Corp. Oakbrook, IL	Jim Gorski Judy Baxter	—	PH&H	1,675	40	1,710
96	7	Pepsi Cola Purchase, NY	John Thyne	X	—	500	1,200	1,700
97	97	Sherwin Williams Co. Cleveland, OH	G.N. Hickey	—	CC/McCullagh, Donlen, Lend Lease	900	800	1,700
98	100	Lorillard Co. New York, NY	Sal Giacchi	—	Dart & Kraft Lend Lease	1,475	125	1,600
99	—	Hallmark Cards, Inc. Kansas City, MO	Helen Bland	X	Wheels	1,500	—	1,500
100	—	American Greetings Cleveland, OH	Pat Percival Gene Lusnek	—	PH&H CC/McCullagh Leaseway	1,450	45	1,495

AUTOMOTIVE FLEET'S TOP 100

Alphabetical Cross Reference

Company	Rank
Abbott Laboratories	92
Aetna Life and Casualty	29
American Greetings Corp	100
ARA Services	8
Ashland Oil	41
Avon Products, Inc.	63
Bank of America	66
Bell & Howell	88
Borg Warner Leasing	14
Brown & Root	47
Brown & Williamson Tobacco Co.	93
Burlington Northern RR	34
Canteen Corp.	43
Carrier Corp. United Technologies	11
Champion International	69
Chessie System RR	68
Church of Jesus Christ of Latter Day Saints	10
CIGNA Corp.	58
Cities Service	91
Continental Insurance/ Continental Corp.	52
Control Data Corp./ Commercial Credit	31
Crawford & Co.	59
Diebold, Inc.	54
Digital Equipment	5
Dow Chemical USA	17
Dresser Industries	28
Eastman Kodak Co.	27
Eaton Corp.	81
Economic Labs	76
Exxon Company USA	20
FMC Corporation	67
Farmers Insurance	80
Federal Express	15
Fireman's Fund Insurance Co.	89
Frito-Lay, Inc.	2
GAB Business Services	71
General Electric	39
General Foods	51
General Mills	64
Getty Refining & Mktg.	53
Goodyear Tire & Rubber	22
W.R. Grace & Co.	40
Gulf Oil Corp.	32
Gulf & Western Corp.	70
Hallmark	99
Hartford Insurance	62
Hewlett Packard	83
Hoffman LaRoche	60
Honeywell	6
Household Finance	84
IC Industries	25
Ingersoll Rand	77
Johnson Controls	38
Keebler Company	94
Kraft, Inc.	73
Liberty Mutual	82
Eli Lilly	74
Lorillard	98
Marathon Oil	49
McDonalds Corp.	95
Merck & Co.	61
Minnesota Mining & Mfg.	7
Philip Morris USA	55
Motorola Inc.	24
NL Industries	48
Nabisco Brands, USA	26
Niagara Mohawk	85
PPG Industries	50
Pepsi Cola Bottling	96
Pfizer Inc.	65
Phillips Petroleum	37
Procter & Gamble	42
Purolator Services	36
Reliance Electric	75
Revlon, Inc.	44
Rollins, Inc.	30
SCM Corporation	79
Seaboard System RR	56
Sears, Roebuck & Co.	1
Shaklee Corp.	16
Shell Oil	23
Smith Kline	78
Standard Oil (Ind)	9
State Farm Insurance	12
St. Regis Paper	90
Teledyne Inc.	35
Tenneco Inc.	19
Transamerica	46
Travelers Indemnity	45
Tupperware	4
Union Carbide	18
Union Pacific System	21
The Upjohn Co.	72
USF&G Company	87
United States Steel	33
Wausau Insurance	86
Montgomery Ward	57
Westinghouse Electric	13
Sherwin Williams	97
Xerox Corp.	3

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"Cost Fell to 43.28 Cents Per Mile."

Hertz' Auto Expense Estimates

Average costs for individual motorists to own and run typical new compact-size U.S. cars fell in 1983 — for only the second time in history — to 43.28 cents per mile, down 1.4 cents or 3.1 percent, from 44.67 cents in 1982, according to the Hertz Corporation's annual auto expense estimates released January 23, 1984.

The 1983 decline, which the lease-rental company attributes to lower interest rates and reduced gasoline prices, ends a decade of double-digit jumps that boosted auto operating outlays 174 percent between 1972 and 1982.

The only previous drop in the more than half-century Hertz has kept records was during the price-control era of 1971, when costs to run new intermediate-sized sedans — then the most typical new cars — declined from 19.0 cents per mile to 18.7 cents. By comparison, the nation's overall cost of living climbed 129 percent in the 1972 to 1982 decade.

The drop in total cost came despite a 3.2 percent increase in purchase prices to $8,358 for a typically-equipped 1983 compact from $8,102 in 1982, according to the Hertz report. This rise boosted depreciation — the difference between purchase price and trade-in value — some four-tenths of one cent per mile in typical driving.

Insurance, licenses, fees, taxes, maintenance, and repair expenses also advanced fractionally last year, adding another three-tenths of 1 cent per mile. But interest costs fell by 2 cents, while gasoline and other service station charges were another one-tenth of 1 cent, the new Hertz estimates show.

A comparison of the Hertz 1983, 1982, and 1978 estimates for typically-equipped, new compact-sized domestic sedans driven 10,000 miles a year for five years is shown in Chart A.

"The 1983 drop in ownership and operating expenses for most new models is welcome news to owners of the nation's 120 million passenger cars," Frank A. Olson, Hertz chairman and chief executive officer, comments. "After reducing their business and personal travel substantially in recent years, Americans seem to be back on the road again.

"Our figures indicate it is more than coincidence that automotive sales began to turn up last year, just as driving expenses began turning down. Continued pricing restraint by manufacturers should benefit American motorists — and the auto industry itself," Olson adds.

The report by the RCA subsidiary says passenger car purchase prices are a key factor in overall driving outlays, bearing on depreciation, interest, insurance, licenses, and taxes — the "fixed" or standing annual expenses which comprise some three-quarters of total auto costs.

The Hertz data show that over the past 10 years motorists have been driving less, keeping cars longer, and purchasing smaller vehicles with fewer options, in an attempt to keep driving outlays in line with family incomes.

Since 1972, average yearly passenger car mileage has dropped 22 percent to 8,037 miles; compact

CHART A

ITEM	1983	1982	'82-3 % Change	1978	'78-83 % Change
Purchase Price	$8358	$8102	+ 3.16%	$4707	+ 63.8%
Depreciation	13.71¢	13.29¢	+ 3.16%	8.19¢	+ 67.4%
Insurance, Licenses, Fees	9.98	9.70	+ 1.8	5.65	+ 76.6
Interest Paid & Lost	7.66	9.67	−20.8	3.59	+113.3
Maintenance & Repair	3.55	3.42	+ 3.8	2.06	+ 69.9
Gas & Other Service Station Charges	8.38	8.49	− 1.3	5.33	+ 57.2
TOTAL	43.28¢	44.67¢	− 3.1%	24.85¢	+ 74.2%

"Average yearly passenger mileage . . . 8,037 . . ."

cars, rather than intermediates, are now the most typical new models purchased; new cars are now kept an average of 5.1 years against 3.6; and, the average of cars in use is 7.2 years today vs. 5.7 in 1972.

Automotive expenses differ significantly by vehicle size and optional equipment, annual mileage, duration of ownership, and where autos are driven, the lease-rental company noted. Cars purchased used and new units kept for longer periods cost substantially less, the firm's report shows.

The new Hertz cost estimates for new models of different sizes driven 10,000 annual miles for five years in 1983, 1982, and 1978 are shown in Chart B.

Study figures also demonstrate that keeping cars longer can save:

- New 1983 compacts driven 10,000 miles a year but traded annually, cost 50.47 cents per mile, 7.2 cents more than those kept a more typical five years.
- Units retained 10 years averaged 33.29 cents, 10.5 cents less than five-year ownership, and nearly 17.2 cents under costs for annual trading.

The company's report stressed that variations in annual driving distances also have a material effect on the cents-per-mile costs because

CHART B

CAR SIZE	1983	1982	'82-3 % Change	1978	'78-83 % Rise
Subcompact	34.63¢	34.18¢	+1.3%	22.52¢	+53.8%
Compact	43.28	44.67	−3.1	24.85	+74.2
Mid-Size	45.46	49.02	−7.3	28.73	+58.2
Intermediate	49.56	50.69	−2.2	28.91	+71.4
Standard	55.42	52.31	+5.9	32.33	+71.4
AVERAGE	**45.67¢**	**46.17¢**	**−1.1%**	**27.47¢**	**+66.3%**

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". . . 20,000 miles a year comes to $5,670."

annual fixed dollar outlays are divided by more, or fewer, miles.

For the five-year driver, a new 1983 compact's costs ranged from 73.91 cents per mile at 5,000 miles a year, to 28.35 cents at an annual of 20,000 miles of driving — 45.6 cents per mile *less.*

However, on an annual dollar basis, 5,000 miles a year totals just $3,696, while 20,000 miles a year comes to $5,670 — $1,974 more. The average driving distance for U.S. passenger cars in their first five years of service was 9,507 miles in 1982.

The company's annual estimates of passenger car ownership and operating costs for the nation's 20 key cities is due in February. In past years, city-to-city expense differences have been another 15 to 17 cents a mile for compact cars in otherwise similar service, prior Hertz studies reported.

The Hertz estimates include all major ownership and operating outlays except parking and tolls. The company says these charges can add 5 to 25 cents a mile to listed estimates, but can vary substantially, even for similar cars in the same city, if driving patterns differ.

The lease-rental company's report is distributed to motorists free, as is a 16-page Car Cost Calculation Guide, to help individual motorists figure their own expenses.

"Driving expenses can vary so dramatically under such a wide array of circumstances that each motorist should figure his or her own outlays, especially if a substantial part of the mileage is for business trips," a Hertz spokesman said.

Past statistics show that in 1925, typical per-mile costs were just 11.5 cents. But this is equal to 64.86 cents in 1983 dollars, 21 percent above a typical intermediate in comparable use today, the firm's study noted.

The company's report also points out that ownership and operating costs of used cars — which two out of three motorists buy — are about 40 percent under expenses for cars bought new. Likewise, it notes that old "gas-guzzlers," such as a 1973 intermediate-sized sedan, would have cost owners only about 21 cents a mile at 10,000 miles a year, over a 10-year use period.

Besides its new-car cost estimates, Hertz issues annual studies on the number of *used* cars sold, used car purchase prices, and their ownership and operating costs. The lease-rental company also compiles a yearly study of total motor vehicle spending plus annual estimates of the size of the car and truck lease-rental industry and total fleet vehicles.

The lease-rental firm and its affiliates around the world are believed to buy more motor vehicles than any other private organization. In the United States, the company has announced, it plans to purchase more than 153,000 new units in model-year 1984.

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Data from 401 Fleets

NAFA Personal Use Survey

A total of 401 fleets containing 272,651 passenger cars participated in NAFA's annual Personal Use Survey. Among the responses were 307 from U.S. commercial fleets. The Canadian segment of the survey consists of 52 fleets.

While the survey is known as the Personal Use Survey, it actually requests information of four fleet management areas: 1) personal use of company-provided vehicles, 2) criteria for assignment of company cars, 3) reimbursement for use of personally owned cars for business, and 4) compensation or sale of cars to employees who no longer qualify for a company-provided vehicle. Each of the four subjects is covered within the individual industry grouping.

Survey Highlights

- More than 70 percent of all U.S. fleets reimburse employees 20 cents a mile for the use of personal cars on business.
- Nearly 70 percent of the U.S. fleets using mileage as the measure of personal use chargebacks now charge more than 10 cents a mile.
- The number of fleets requiring employees to pay at least a portion of repair costs resulting from accidents during personal use is steadily increasing.
- More fleets than ever before are collecting personal use chargebacks

SUMMARY OF SURVEY RESPONSES

Industry Group	Number of Fleets	Company Owned Cars	Leased Cars	Total
Insurance	66	31,326	16,242	47,568
Mfg. — Consumer	53	14,017	18,533	32,550
Food & Beverage	27	10,409	4,282	14,691
Mfg. — Industrial	63	9.764	41,443	51,207
Chemical & Petroleum	29	14,959	18,601	33,560
Drug & Cosmetics	45	3,251	29,723	32,974
Other	24	1,043	5,711	6,754
U.S. Commercial Total	**307**	**84,769**	**134,535**	**219,304**
Public Utility	18	20,203	4,763	24,966
Government	24	17,983	84	18,067
Canada	52	4,502	5,812	10,314
Total in Survey	**401**	**127,457**	**145,194**	**272,651**

". . . combination of both flat and mileage charges . . ."

through a salary deduction program.

NAFA breaks the responses down into ten categories: Drug and Cosmetics, Food and Beverage, Chemical and Petroleum, Insurance, Manufacturing-Consumer, Manufacturing-Industrial, Other, Public Utility, Government, and Canada. *Automotive Fleet* selected three of the above categories: Insurance, Manufacturing-Consumer, and Chemical and Petroleum.

Insurance Group

The Insurance Group consists of 66 fleets operating 47,568 passenger cars (31,326 company-owned, 16,242 leased).

1. Personal Use Policies

Sixty-four fleets in the group permit personal use of the company-provided car; two prohibit such use. Of the 64 fleets that permit personal use, two do not permit the car to be driven on vacations, and eight fleets place some restrictions on the amount of personal use permitted.

Sixty fleets in the Insurance Group charge for personal use of the company car, while four do not have a chargeback. Of the fleets charging for personal use, 25 base the charge on mileage only; 28 fleets have a flat monthly or weekly charge, while eight fleets use a combination of both mileage and flat chargeback.

Among the fleets with a mileage charge, five charge 10 cents a mile; three charge 14 cents a mile; and two each charge 15 and 20 cents a mile. Other mileage charges (in one fleet each) range from a low of 5 cents a mile to 18 cents a mile. One fleet reports it charges 10 percent of all fuel purchased.

The most common rate among fleets with a flat monthly or weekly chargeback is $40 a month (in seven fleets). Five fleets charge $30 a month; three charge $35 a month; and two charge $60 a month. Other rates mentioned include $79 a month, $25 a month, $60 a month, $50 a month, and $54 a month. One fleet said the charge was $520 a year. Weekly charges included $16 and $20 a week.

A number of fleets with a combination of both flat and mileage charges base the mileage on a specific number of miles driven. For example, one fleet charges $50 a month plus 10 cents a mile over 500 miles a month. Another charges $50 a month and 12 cents a mile over 600 miles a month. Another fleet with a $50 a month flat charge, adds a 14 cents a mile charge for all trips over 400 miles. Two fleets charge $35 a month plus the cost of gasoline on vacation travel.

Thirty-five fleets collect the personal use chargeback through an expense report deduction; 21 fleets deduct the personal use charge from the employee's salary, while five fleets either collect by personal check or add the personal use charge to the employee's W-2 form as additional income.

Three fleets in the Insurance Group restrict personal use of the company-provided vehicle to the employee only. The other 61 fleets permit the employee's spouse to use the car. In addition, 33 fleets permit "licensed children" to drive the car. Nine fleets permit "others," usually defined as living in the same household, to use the car.

Seventeen fleets set a minimum age limit for use of the company car. The most commonly cited age is 21 (six fleets). Three fleets set the minimum age at 18, while two each put it at 16 and 25 years of age. One fleet has a 19-year requirement.

Eighteen fleets in the group require the employee to pay a certain percentage of repair costs resulting from accidents during personal use. Among those fleets with a set dollar amount, in five fleets it was $100, in two fleets it was $50. Eight fleets base the repayment on the insurance deductible, ranging from $100 to $250. No fleet in the group requires the employee to pay the full cost of repairs.

2. Assignment of Company Cars

While most fleets participating in the survey said "job title" or "job responsibility" is the basic factor in assignment of a company car, 38 fleets said business mileage driven is also a factor. The most often mentioned mileage was 12,000 miles a year (eight fleets). Five fleets set a minimum of 15,000 miles a year; three put the required mileage at 20,000, while two each said it is 6,000 and 18,000 miles. Other mileage requirements mentioned include 8,750, 8,500, 7,500, 14,000,

Reimbursement for Use of Personal Car
Mileage Only
(Assigned Fleet Car Not in Service)
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983
15¢ or less	4%	3%	5%	2%
16, 17, 18, 19¢	41%	15%	13%	9%
20¢	43%	66%	68%	73%
21, 22, 23, 24¢	11%	17%	11%	14%
25¢ or more	*	*	3%	3%

*Not broken out in surveys for those years, but included in "more than 20 cents a mile" total.

Reimbursement for Use of Personal Car
Mileage Only
(No Assigned Fleet Car)
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983
15¢ or less	3%	1%	2%	2%
16, 17, 18, 19¢	43%	13%	15%	11%
20¢	43%	68%	69%	72%
21, 22, 23, 24¢	11%*	17%*	10%	12%
25¢ or more	*	*	4%	3%

*Not broken out in surveys for those years, but included in "more than 20 cents a mile" total.

". . . preferred rate is 20 cents a mile . . .

and 30,000. One fleet reported that the mileage varies; it depends on the size of car the employee qualified for — 10,000 for a compact, 13,000 for a mid-size, and 16,000 for a full-size car.

Several fleets based company car assignment on a time basis. One required its use three days a week, another 50 percent of the time. One fleet said a car is provided when the employee is out of the office 70 percent of the time, and another said it depended on "response time and/or on-call use."

Thirteen fleets in the group said the "fringe benefit" value of the car is a factor in its assignment to an employee.

3. Business Use of Personal Cars

In reimbursing employees for business use of a personally owned car, the survey covers two areas — when there is no assigned fleet car and when the assigned fleet car is not in service.

Most fleets in the group reimburse the employee on a straight mileage basis when he or she does not have an assigned company car. Twenty cents a mile is by far the most often cited figure — in 63 percent of the fleets using a mileage reimbursement. Four fleets each pay 19 and 21 cents a mile. Other amounts mentioned by two fleets each were 20.5 and 17 cents. One fleet each said they reimbursed the employee from a low of 12 cents to a high of 25 cents a mile.

Other methods of reimbursement included "Runzheimer schedule" by two fleets; 20 cents a mile for 600 miles, then 15 cents; 20.5 cents for 15,000 miles, then 11.5 cents; 15 cents a mile over 1,000 miles plus $400 a month, and 9 cents a mile plus $200 a month.

Reimbursement for use of a personal car when the assigned fleet car was not in service again was primarily based on mileage. In this category, too, the preferred rate is 20 cents a mile, by more than two-thirds of the fleets. Five fleets pay 21 cents a mile; three pay 19 cents; and two each pay 14 and 20.5 cents a mile. The lowest amount mentioned was 14 cents a mile; the highest was 26 cents a mile. One fleet paid the IRS-approved amount of 20.5 cents for the first 15,000 miles, then 11 cents a mile, while one fleet pays a flat $150 a month.

4) Compensation for Loss of Car

Thirty-seven fleets in the Insurance Group reported the employee either gets a cash payment or is able to purchase the assigned fleet car if the employee was no longer eligible to have a company-provided vehicle.

Five fleets made a cash payment of $1,500; four each gave the employee $1,000 and $2,000. Two fleets each made payment of $1,600, $1,800, and $2,500. The highest payment reported was $3,000. One fleet permits the employee to drive the car "until the lease runs out"; another extends car use from six to 12 months.

Among those fleets that offered to sell the car to the employee, most set the price on *AMR* or a percentage of it, or on the wholesale value. Others said the price is "book value or *AMR*, whichever is less." Several fleets offer the employee an interest free loan with which to purchase the car.

Personal Use Chargebacks
For Fleets Using a Straight Mileage Charge
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983
7¢ or less	14%	2%	3%	3%
8, 9, or 10¢	44%	43%	45%	28%
11, 12, 13, 14¢	42%	55%	51%	43%
15¢ or more	*	*	*	26%

***Not broken out in previous surveys, but included in the more than 10 cents a mile category**

Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 63 fleets operating 51,207 passenger cars (9,764 company owned and 41,443 leased).

1. Personal Use Policies

All but one fleet in the Manufacturing-Industrial Group permit personal use of the company car after hours. One fleet does not permit its use on weekends or holidays, and five fleets do not allow the company car to be used for vacation travel. In addition, five fleets place some limitations on the amount of personal use permitted, usually mileage during vacations or distance from the employee's home.

Fourteen fleets in the group do not charge for personal use of the company vehicle, while 48 do have a chargeback program. Eleven fleets base their personal use chargeback on mileage driven; 26 have a flat monthly or weekly charge; and 10 use a combination of both methods.

Among the fleets employing a straight mileage chargeback, two each charge 8 and 11 cents a mile. One fleet each charges 10, 12, 15, 16, and 20 cents a mile. One fleet reported it charges 8, 10, or 12 cents a mile depending on the car's engine size, while another said it had a "variable charge based on type of car driven."

The personal use chargebacks in those fleets with a flat monthly or weekly rate vary widely. Among the weekly charges reported are $25 by three fleets; $10 by two fleets; and $13, $15, and $18 by one fleet each. Another fleet charges $18.50 bi-weekly.

Among the monthly rates were $45 and $50 by three fleets each, $35 and $54 a month by two fleets each. Other rates mentioned by one fleet each were $20, $25, $27.50, $30, $40, $75, $76 to $80, and $100 to $125.

No two fleets in the group have the same combination mileage and flat rate chargeback. Some of the rates quoted are $3.85 a week plus 11 cents a mile; $20 a month plus

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". . . minimum age limits . . ."

9 cents a mile; $50 a month and 7 cents a mile, and $48 a month and 11 cents a mile. Several fleets have a flat monthly charge plus a mileage charge over a certain number of miles. One fleet said its rate was $30 a month plus 20 cents a mile after 150 miles in one month. Another fleet has a minimum charge of $12 a week and charges 16 cents a mile after 75 miles driven. One fleet has a minimum charge of $40 a month and 10 cents a mile after 400 miles of personal driving.

Twenty-one fleets in the group collect the personal mileage chargeback through an expense report deduction; 20 fleets have a salary deduction program; and seven fleets use other methods, among them, adding the charge to the employee's income.

Two fleets in the group permit only the employee to drive the company-provided car. The other 60 fleets in the group allow the employee's spouse to use the car, and 35 fleets allow personal use of the car to licensed children. Fourteen fleets extend the driving privilege to "others," usually defined as individuals living in the employee's household.

Twenty-five fleets in the Manufacturing-Industrial Group have established minimum age limits on use of the company car. In 10 fleets the minimum age is 21; in five it is 18; in four it is 25; and in one fleet the minimum age is 16.

Twenty-nine fleets require the employee to pay at least a portion of repair costs resulting from an accident that occurs during personal use. In one fleet it is the full amount. Eleven fleets assess the driver $100, and two fleets charge $200. One fleet reported it has a sliding scale starting at $100. If there was a fourth accident, the employee is fired. Fifteen fleets use the insurance deductible as the basis for charging repair costs. In four fleets each it is $100 and $250. Two fleets have sliding scales starting at $100 and going up to $500.

2. Fleet Car Assignment

Thirty-two fleets in the group have established a minimum number of business miles as one criterion for company car assignment. In eight fleets each the mileage is 10,000 and 15,000 miles a year. In four fleets, the requirement is 18,000 business miles. In other fleets the mileage requirement ranges from a low of 6,000 miles to a high of 30,000 miles. Other requirements mentioned include one year with the company and management approval, location, and time on the job.

3. Business Use of Personal Cars

In compensating employees for use of a personally owned car when there was no assigned company car, 30 fleets in the group paid 20 cents a mile. Three paid 18 cents a mile; two each paid 18 and 30 cents a mile.

Four fleets said they reimburse their employees on a "Runzheimer schedule." Other graduated scales include 20 cents for the first 20,000 miles, then 11 cents; 8 cents a mile plus $180 a month; 20 cents a mile for the first 15,000 miles, then 11 cents; 20.5 cents plus $100 a month; $180 a month and 8 cents a mile; 10 cents a mile and $50 a week; 20 cents a mile for the first 1,000 miles, then 12 cents; 20 cents for the first 1,500 miles, then 11 cents; 20 cents for the first 200 miles a week, then 15 cents; and 21 cents a mile for the first 2,000 miles, then 11 cents a mile.

When an assigned fleet car was not in service, the reimbursement rate is almost always based on mileage alone. In 37 fleets the rate was 20 cents a mile. Three fleets paid 18 cents a mile; and two paid 18.5 cents a mile. Other reimbursement rates mentioned by one fleet each include 8.3, 12, 17, 19, 21, 22, 23, and 25 cents a mile. Two fleets used a sliding scale for reimbursement — 20 cents a mile for the first 1,000 miles, then 15 cents; 20 cents for the first 200 miles, then 15 cents. One fleet pays 10 cents a mile and $50 a week, and another said it used a "Runzheimer schedule."

4. Compensation for Loss of Car

Twenty-nine fleets in the Manufacturing-Industrial Group said an employee who loses eligibility for a company car is compensated with a one-time cash payment or with an opportunity to purchase the car. Among the one-time payments re-

". . . opportunity to purchase the car . . ."

ported were $11,561 less taxes, one-third the cost of the car, $2,000, $2,500, $4,500, $5,000, and $6,000. One fleet said the employee is given a $6,000 bonus over three years which is applied to the purchase of the car; another said the employee is allowed to retain the car.

Among the fleets offering to sell the car to the employee, none said they based the price on *AMR*; two offer it at the "lower of book or wholesale value," while two others said the employee can buy the car at the "book value on the lease." One fleet reported the price to an employee was "net of depreciation." Others offer it at "market value less 10 percent." Two fleets said they sell the car at the "clean wholesale" price.

Chemical and Petroleum Group

The Chemical and Petroleum Group consists of 29 fleets operating 33,560 passenger cars (14,959 company owned, 18,601 leased).

1. Personal Use Policies

Twenty-six of the 29 fleets in the group permit personal use of the company car after working hours and on weekends and holidays. Three fleets permit no personal use at all, and six others do not allow the company car to be used for vacation travel. In addition, two other fleets place some limitation on the number of personal miles that can be driven.

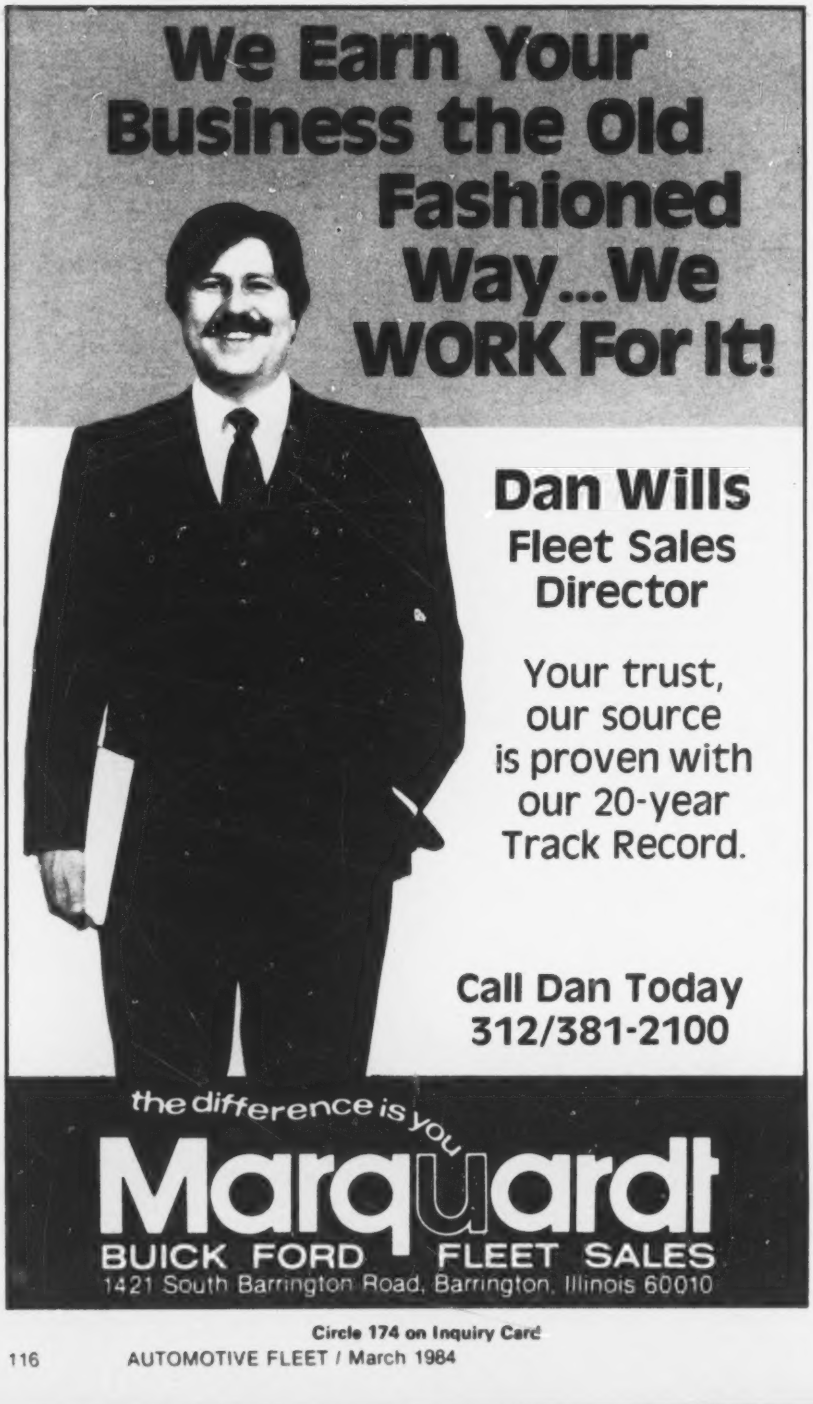
Sixteen of the 26 fleets permitting personal use charge the employee for such use; 10 fleets make no charge. Of the 16 fleets, four have a straight mileage chargeback; nine have a flat weekly or monthly charge; and two use a combination of both. Among the fleets with a mileage charge, two charge 13 cents a mile; one each charges 10 and 15 cents a mile.

Among the fleets using a flat monthly charge for personal use, the rate is $25, $30, and $50 a month in two each. Other chargebacks mentioned were (by one fleet each) $26 and $40 a month. One fleet charges $50 a month for mid-size cars and $100 a month for large cars. Combination charges mentioned were 8 cents a mile plus $30 a month and 10 cents a mile plus $35 a month.

Four fleets in the group permit only the employee to drive the company car for personal reasons. The remaining 21 of the 26 that permit personal use extend the privilege to the employee's spouse. Six fleets extend the driving privilege to licensed children, and only one fleet allows its use by "others" living in the same household.

Eight fleets in the group have the minimum age requirements for use of the company car. Among those specifically mentioned were 21 and 25 years of age by two fleets each, 18 and 20 years by one fleet each.

Six fleets in the Chemical and Petroleum Group require employ-



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Circle 174 on Inquiry Card

". . . employees help pay for repairs . . .

ees to help pay for repairs required as the result of accidents occurring during personal use. One fleet assesses the full amount of the repairs. One fleet charges $200, another $250 toward the cost. Three fleets in the group ask the employee to pay the insurance deductible.

2. Fleet Car Assignment

Eighteen fleets in the group have established minimum business mileage as one consideration in assignment of fleet cars. Three fleets set the requirement at 20,000 miles a year. Three each set it at 14,400, 15,000, and 18,000 miles a year. In one fleet the policy calls for assignment of a company-provided car "when rentals will exceed cost of permanent car." Another fleet said the requirement was 12,000 miles a year or 150 days out of the office. One fleet set the requirement at 50 percent of the time for travel. Other mileage requirements ranged from a low of 12,000 miles to a high of 21,600 miles a year. Nine fleets in the group reported "fringe benefit" as a consideration in eligibility.

3. Business Use of Personal Cars

In reimbursing an employee who does not have an assigned fleet car for business use of a personally owned vehicle, 22 fleets pay 20 cents a mile; one each pays 18 and 25 cents a mile. One fleet has a sliding scale of 10 cents a mile for the first 1,000 miles, then 5 cents for additional mileage plus $150 a month. Another fleet pays $195 a month plus 17 cents a mile. One fleet pays 20 cents a mile and $230 a month, while one pays 20 cents a mile for the first 1,250 miles in a month, and 11 cents a mile thereafter.

In all but one fleet the reimbursement policy for use of a personal car when the fleet car is not usable is based on mileage. Twenty-four fleets pay 20 cents a mile; one fleet each pays 17, 18, and 25 cents a mile. One fleet in the group reimburses its employees at 20 cents a mile for the first 900 miles and 11 cents for all additional miles driven in a month.

4. Compensation for Loss of Car

Fourteen fleets in the Chemical and Petroleum Group reported that some form of compensation or ability to purchase the car was fleet policy when an employee loses eligibility for a company car. In one case, the employee is allowed to keep the car. One fleet gives a "one-time salary adjustment," and one fleet reported its policy was an increase in salary, but it was lost if the employee was ever assigned a car again.

Among the fleets that offered to sell the car to the employee, three said the price is set at "wholesale"; two fleets put the price at the car's book value. One said it would sell the car at "book value or one-half *AMR*, whichever is higher." One reported the price to an employee is "book value plus $300." AF

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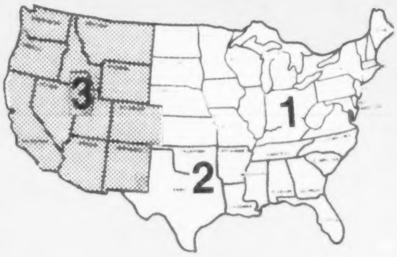
Used Cars

The following are average car prices for the period ending January 25, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone3**
82 AMC CONCORD			
Sdn 6-4	4124	4165	4084
Sta Wgn 30	4338	4381	4293
81 AMC CONCORD			
Sdn 6-4 Dr	3331	3365	3298
Sta Wgn	3503	3542	3472
82 BUICK SKYLARK			
Sdn	4949	4999	4899
81 BUICK SKYLARK			
Sdn	4066	4107	4027
82 BUICK REGAL			
Turbo Cpe	6687	6753	6619
Cpe	6478	6543	6414
81 BUICK REGAL			
Turbo Cpe	5836	5894	5778
Cpe	5634	5689	5577
82 BUICK LESABRE			
Sdn	7211	7283	7140
81 BUICK LESABRE			
Sdn	5602	5659	5546
82 CADILLAC			
Cpe DeVille	11259	11373	11147
Sdn DeVille	11193	11303	11081
81 CADILLAC			
Cpe DeVille	8701	8790	8613
Sdn DeVille	9642	8729	8557
82 CHEVY			
Chvt Htchbk 4-Dr	3130	3160	3099
Camaro Cpe8	7136	7208	7066
81 CHEVY			
Chvt Htchbk	2629	2655	2603
Camaro Cpe 8	5417	5470	5383
82 CHEVY CITATION			
Cpe 6	4245	4287	4201
81 CHEVY CITATION			
Cpe 6 Htchbk	3347	3381	3313
82 CHEVY MALIBU			
Sdn	5529	5585	5473
81 CHEVY MALIBU			
Cpe	4314	4355	4271
Sdn	4238	4281	4195
Clas Cpe	4612	4659	4567
82 CHEVY MONTE CARLO			
Cpe	6034	6095	5975
81 CHEVY MONTE CARLO			
Cpe	5329	5383	5275
82 CHEVY IMPALA			
Sdn	6157	6219	6069
Imp Wgn 9	6400	6464	6337
81 CHEVY IMPALA			
Sdn	4869	4917	4820
Cpe	4891	4938	4841
Est Wgn 9	5071	5121	5021
82 CHRYSLER			
LeBaron Sdn	5878	5937	5819
81 CHRYSLER			
Npt Sdn	5141	5191	5089
82 DODGE OMNI			
4 Dr Htchbk	3451	3486	3417
81 DODGE OMNI			
4 Dr Htchbk	2872	2902	2845
82 DODGE ARIES			
Cpe	4597	4644	4550
81 DODGE ARIES			
Sdn	3974	4013	3932
82 DODGE DIPLOMAT			
Sln Sdn	5018	5067	4968
81DODGE DIPLOMAT			
Sln Cpe	4288	4331	4245
Sln Sdn	4288	4331	4245
82 FORD FAIRMONT			
Futura Sdn 4Dr	3354	3386	3320
81 FORD FAIRMONT			
Sdn 4 Dr	3563	3598	3527
82 FORD MUSTANG			
Cpe 4	4440	4487	4398
81 FORD MUSTANG			
Cpe 4	3716	3756	3680
82 FORD GRANADA			
Sdn 6-L	5035	5085	4983
81 FORD GRANADA			
Sdn 8-L	4058	4097	4019
82 FORD LTD			
Sdn	6443	6506	6378
81 FORD LTD			
Sdn	5141	5192	5090
81 FORD ESCORT			
Sdn 4 Dr	2929	2959	2901
82 FORD CROWN VIC			
Sdn	7253	7326	7180
81 FORD CROWN VIC			
Sdn	5825	5883	5767
82 FORD THUNDERBIRD			
Cpe	6160	6222	6097
81 FORD THUNDERBIRD			
Cpe	5269	5321	5215
82 LINCOLN CONTINENTAL			
Sdn	12516	12742	12491
Mark VI Sdn	12622	12748	12496
81 LINCOLN CONTINENTAL			
Sdn	8879	8967	8789
Mark VI Sdn	11099	10820	10605
82 MERCURY COUGAR			
GS Cpe	5076	5127	5026
Sdn	5076	5127	5026
81 MERCURY COUGAR			
Cpe	4093	4136	4052
Sdn	4093	4136	4052
81 MERCURY ZEPHYR			
Sdn 2 Dr	3383	3417	3350
82 MERCURY LYNX			
HthBk 3-Dr	3569	3607	3534
82 MERCURY MARQUIS			
Sdn	6784	6853	6717
81 MERCURY MARQUIS			
Sdn	5488	5542	5433
Wgn-2	5607	5663	5550
82 OLDS CIERA			
Cpe	5984	6045	5924
Sdn	6067	6128	6007
82 OLDS CUTLASS SUPREME			
Cpe	6478	6543	6414
Sdn	6230	6293	6168
81 OLDS CUTLASS			
Sdn	5285	5338	5232
Sup Cpe	5634	5689	5577
82 OLDS DELTA 8			
Sdn	6985	7055	6915
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2880	2909	2853
82 PLYMOUTH RELIANT			
Cpe	4583	4629	4538
81 PLYMOUTH RELIANT			
Cpe	3958	3997	3919
81 PONTIAC FIREBIRD			
Cpe 8	5470	5526	5416
81 PONTIAC LEMANS			
Cpe 8	4517	4562	4472
82 PONTIAC PHOENIX			
Cpe	4772	4820	4726
Htchbk Sdn	4772	4820	4726
81 PONTIAC PHOENIX			
Cpe 6	3843	3881	3802
81 PONTIAC CATALINA			
Sdn	5154	5206	5103
Bonneville Sdn	5665	5721	5609
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4074	4114	4033
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3294	3327	3260
IMPORTS			
82 DATSUN			
210 2 Dr	3442	3476	3407
Sentra 2 Dr	3813	3849	3775
Stanza Hbk 2 Dr DLK	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2890	2919	2862
510 2 Dr Sdn	3684	3720	3647
810 DL 4 Dr	5664	5721	5607
82 TOYOTA			
Corolla Sedan 2 Dr	4469	4513	4424
Celica St Cpe	5628	5684	5572
Corona Sdn Lux (AT)	5896	5956	5837
81 TOYOTA			
Corolla 2 Dr Sdn DLX	3576	3612	3541
Celica St Spt Cpe	4339	4384	4206
Corona Sdn 4 Dr DLK	4041	4082	4001

a bobit publication
april 1984
automotive FLEET
THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Enhancing Resale Values with Service Contracts

•Gerber's Rapid Recycling •Post Convention Report

APRIL 1984 VOL. 23, NO. 6

automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

FEATURES

Leaseway Removes Fear of Post Purchase Breakdown p. 21

Yearly Turnover? p. 27

Vanpool Goes Full-Service p. 32

AALA, AFLA, NAFA Convention Reviews p. 36

AF*'s Eighth Annual Dealer Awards p. 52

GM Joins H.R. 1415 Fight p. 54

NAFA Car Marketing Survey p. 56

We regret that no photographs of the '84 dealer awards are available. One of our camera bags was stolen during the recent NAFA Convention. It contained film of the dealer awards, plus work for a number of other stories.

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On our cover: Standing firmly behind their new warranty program, members of the Leaseway management team display some of the parts protected by it.

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READER UPDATE

Calendar

APRIL

1-4 — National Car Rental Licensees, Orlando, FL.

2-3 — Seminar: Leasing — Techniques and Analysis, Airport Hilton, Los Angeles, CA. Info: (518) 891-1500.

8-11 — Council of Fleet Specialists Annual Executive Conference, Kansas City, MO

11-13 — National Association of Van Pool Operators, Registry Hotel, Dallas, TX.

12-13 — Seminar: Leasing Techniques and Analysis, Executive Tower Inn, Denver, CO, and Logan Airport Hilton, Boston, MA. Info: (518) 891-1500.

MAY

16-20 — Western Vehicle Leasing Association, Americana Canyon Hotel, Palm Springs, CA.

JUNE

10-13 — Electric Utility Fleet Manager's Conference, Williamsburg, VA.

JULY

12-14 — Hertz Rent-a-Car Licensee Convention, Renaissance Center, Detroit, MI

AUGUST

26-29 — Automotive World Congress, Renaissance Center, Detroit, MI

Gas Prices

	UNLEADED	
City	Full Serve	Self-Serve
Juneau, AK	158.0	139.9
Harrison, AR	124.0	119.0
Tucson, AZ	132.9	113.6
Santa Ana, CA	152.4	115.9
Grand Junction, CO	140.9	125.9
Waterbury, CT	134.4	115.4
Jacksonville, FL	137.6	115.2
Honolulu, HI	151.0	143.3
Cedar Rapids, IA	143.5	125.5
Muncie, IN	140.9	114.9
New Orleans, LA	136.7	109.9
Waterville, ME	115.9	114.9
Rochester, MN	152.4	128.4
Fargo, ND	154.2	117.9
Tulsa, OK	132.0	108.9

Survey conducted during the first five working days of March, 1984. Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

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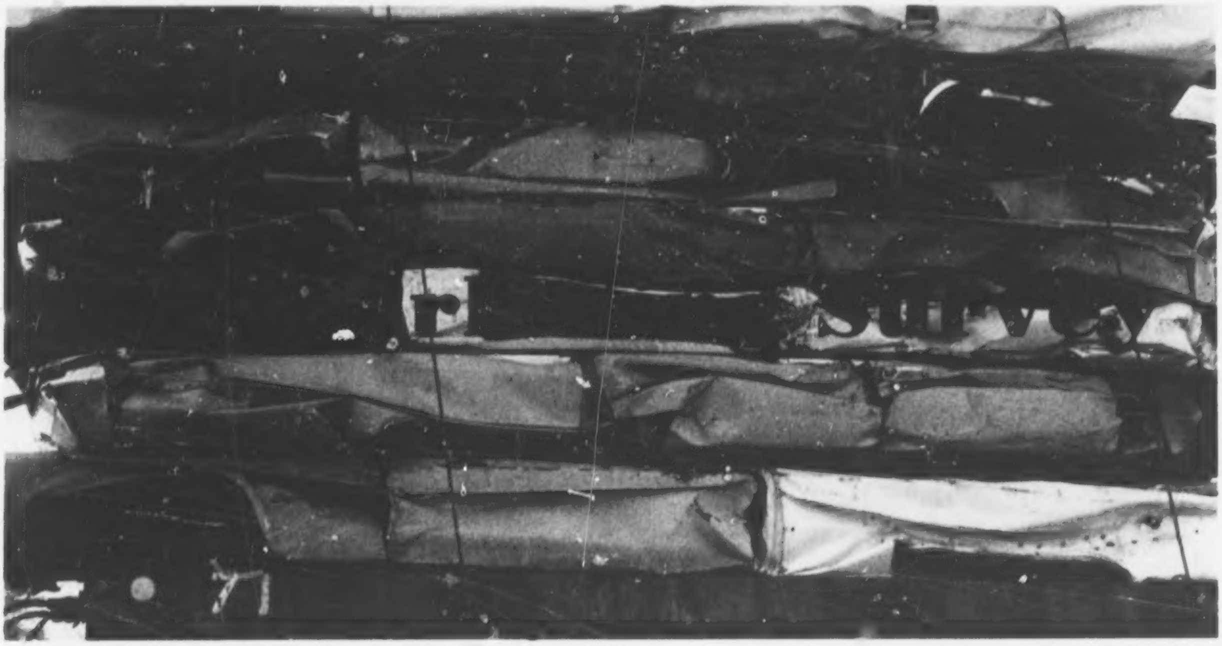
Automotive Fleet's Eighth Annual Fleet Dealer Awards

MAKE	FLEET SALESPERSON	DEALERSHIP	LOCATION	UNITS SOLD
CHEVROLET	Bill Wink III	Wink Chevrolet	Dearborn, MI	14,520
	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	9,774
	Joe Cavallan	Big Bert Chevrolet	Seaford, NY	7,257*
BUICK	Murray Helt	Stillman & Hoag	Englewood, NJ	10,825
	Bob Brest	Bob Brest Buick	Lynn, MA	7,983
	B.H. "Sonny" King	Orange Buick	Orlando, FL	3,950
OLDSMOBILE	Mark E. Rosenstock	Dale Oldsmobile	Bronx, NY	16,580
	Thomas C. Scolan	Weil Oldsmobile	Libertyville, IL	8,900
	George N. Steinbock	Anderson Oldsmobile	Baltimore, MD	8,534
PONTIAC	Walt Kozak	Penn Pontiac	Baltimore, MD	6,875
	Bud Morrison	J.M. Pontiac	Hollywood, FL	5,498
	Donna Janazzo	Stephen Pontiac	Bristol, CT	2,030
CADILLAC	Evelyn DeMarco	Polkowitz Motors	Perth Amboy, NJ	1,645
	Beverly Toomey	Roger Penske Cadillac	Downey, CA	1,008
	Dee Dee Wholen Fran Frier	Potamkin Cadillac	New York, NY	989
FORD	W.J. Bower, Sr.	Friendly Ford	N. Miami Beach, FL	6,938
	Chuck Price	Marshall Motor Co.	Mayfield Heights, OH	6,756
	Milo Matik	Al Piemonte Ford	Melrose Park, IL	6,150
LINCOLN/MERCURY	John W. Bean	Central Florida Motors	Orlando, FL	3,865
	Allen R. Brooks	Northgate Lincoln/Mercury	Tampa FL	3,395
	Bill Allen	Holiday Lincoln/Mercury	Ft. Worth, TX	2,375
CHRYSLER/ PLYMOUTH	Bob Haller	Bloomington Chrysler/Plymouth	Bloomington, MN	2,455
	Jim Hoffer	Fireside Chrysler/Plymouth	Schaumburg, IL	2,195
	Don Boster	Moothart Chrysler/Plymouth	Lakewood, CA	1,773
DODGE	Ted Nelson	Winter Haven Dodge	Winter Haven, FL	2,457
	Stan Smith	Del Amo Dodge	Torrance, CA	2,292
	Jack Taylor	Luke Potter Dodge	Winter Park, FL	1,585
AMERICAN MOTORS	Harvey W. Lipman	Lipman Motors	Hartford, CT	1,883
	W.R. Crawford	Manhattan AMC/Jeep	New York, NY	1,199
	Burton S. Kahn	Colonial AMC/Jeep	Miami, FL	966
NISSAN MOTORS	Robert Terry	Boulton Motors	Miami FL	1,276
	Tony Sabatino	Action Datsun	Kissimmee, FL	1,012
	D.B. Wilkerson, Jr.	Thoroughbred Datsun	Colorado Springs, CO	746
TOYOTA	Dominic Longo	Longo Toyota	El Monte, CA	3,826
	Orval Paul	Norwalk Toyota	Norwalk, CA	3,764
	Byrum C. Bingham	Bingham Toyota	Clovis, CA	3,479
VOLKSWAGEN	William Leudesdorf	Countryside Volkswagen	St. Paul, MN	818
	Eugene Weisberg	Queensboro Volkswagen	Woodside, NY	555
	Paul Nerenberg	Gunther Volkswagen	Ft. Lauderdale, FL	526
TOTAL				168,743

*See note on Table of Contents

Average Service Life 29 Months/56,000 Miles



A recent NAFA survey confirms the belief that leased cars are kept in service a few months less and driven fewer miles, than company-owned vehicles in U.S. commercial fleets.

A total of 257 NAFA members responsible for fleets with 166,409 passenger cars participated in the association's 1983 used car marketing survey. In order to provide a valid appraisal of their vehicle replacement policies and used car marketing methods, the responses are divided into four segments — U.S. Commercial, Public Utility, Government fleets, and Canadian fleets.

Among the 178 fleets (105,254 passenger cars) in the U.S. commercial fleet segment, the average car is kept in service 29.6 months and driven 56,135 miles before being sold. In 1983, these fleets sold 34.8 percent of their vehicles. A further analysis reveals that leased cars are kept in service 28.4 months and driven 56,668 miles, while company-owned cars are kept 30.5 months and driven 58,039 miles.

Of the cars sold in 1983 by this segment of the market, 32 percent were 1980 model year cars or older, 44 percent were 1981 models, 20 percent were 1982 models, and 4 percent were 1983 model year cars.

While sales to employees was the most popular used car marketing method reported (30 percent of all sales), wholesalers and auto auctions are increasing their penetration of the market. In 1983 these two marketing methods were up to 29 and 27 percent of all sales respectively. According to the survey, 5 percent of the fleet cars were sold to used car dealers; 8 percent were traded to new car dealers (more by leased fleets than by company-owned fleets); and 1 percent were sold as "wrecks" or as "salvage." Company-owned fleets sell a higher percentage of their used cars to employees than do leased fleets (37 percent as compared to 24 percent).

It is difficult to define a trend in future vehicle cycling policies. Twenty-six U.S. commercial fleets said they plan to change their cycle in 1984; 14 reported they would lengthen it (either months or miles driven), while 12 said they were shortening their vehicle life cycles. (For a complete breakdown of the responses to this question, see accompanying chart.) Eight Canadian fleets said they plan to change their replacement cycles in 1984. Six are increasing either the months in service or miles driven, while two will shorten the cycle.

Canada

The Canadian segment of the annual used car survey consists of 30 fleets operating 5,327 passenger cars (1,339 company-owned, 3,988 leased).

In 1983, these fleets sold 1,975 cars, approximately 37 percent of their total vehicles. Twenty-eight percent of the vehicles sold were 1980-model year or older cars; 51 percent were 1981 models; 20 percent were 1982 models; and 1 percent were 1983 or current models.

Sixty percent of the used cars were sold to employees; 17 percent were marketed to wholesalers; 9 percent went to used car dealers; 5 percent were sold through auto auctions; and 9 percent were traded to new car dealers.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. Only two fleets said they didn't sell used cars to employees. In 13 fleets the price is determined by "Black Book" values; four fleets sell the car at book value, while two each said the price is auction value, wholesale, and market value. Other prices mentioned are book value plus $300, one-half-way between book and market value, and wholesale less $300. One fleet reported it bases its price to employees on the "leasing company's suggestion."

Eight fleets in the Canadian

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Circle 129 on Inquiry Card

Marketing Survey

group reported they were planning to change their vehicle cycling policy for 1984 and 1985.

U.S. Commercial Fleet Segment
Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 30 fleets, operating 20,312 passenger cars (15,376 owned, 4,936 leased). In 1983, this group sold 7,505 cars, 36.9 percent of their total vehicles.

Of the cars sold, 35 percent were 1980 models or older; 46 percent were 1981 models; 18 percent were 1982 models; and 1 percent were 1983 or current year cars.

Forty-four percent of the vehicles marketed during the year were sold to employees; 26 percent went to wholesalers; 28 percent to auto auctions; only 1 percent were sold to used car dealers; and less than one-half of 1 percent were traded to new car dealers.

When asked who is responsible for marketing used cars, eight fleets said it is shared by the fleet manager and the leasing company. In 17 fleets the fleet manager has complete responsibility for the sale of used cars. Two fleets use a management service and three rely exclusively on a leasing company to handle the sale of all used cars. One fleet reported that a "field office" handled the sale of used vehicles.

Every fleet in the group allows their employees to buy used cars. Among the methods of determining a price, *AMR (Automotive Market Report)* and NADA (National Auto Dealers Association) guide books were mentioned most often as the base on which prices were set. Two fleets sell the car to an employee at "market value." Two fleets each mentioned "Black Book" and "Red Book" as their used car price guides. Two other fleets set the price at NADA wholesale minus $200. Other methods of establishing a price to employees mentioned by one fleet each included lease balance, market conditions plus condition report, book value, $250 over residual, and bid of at least $300 below Blue Book minimum.

Five fleets in the Manufacturing-Industrial Group said they are planning to change their vehicle cycling

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Circle 130 on Inquiry Card

"Twenty-one fleets sold their cars 'as is.' "

policies in 1984. Two fleets plan to increase the car's length of service time or miles driven — one from 25 to 35 months, the other from 50,000 to 55,000 miles. Three fleets are shortening their service life cycles — one is switching from 60,000 miles to annual replacement; another is shifting from a 36-month/65,000 mile cycle to 24 months/55,000 miles, while a third is decreasing vehicle usage from 90,000 to 75,000 miles while keeping a 36-month period.

At the present time the replacement cycle most often mentioned is 36 months/60,000 miles (six fleets). Four fleets reported their current vehicle cycle is 36 months or 55,000 miles, and two fleets said their cars were in service 36 months or 65,000 miles. Three fleets said replacement was based on mileage: 50,000 in two fleets, 60,000 in the other. Only one fleet said it bases its replacement solely on months in service: in that fleet it is 24 months. Other fleets use a combination of time and/or mileage. The shortest cycle mentioned was 24 months or 45,000 miles. The longest cycle reported was 48 months or 75,000 miles.

Nine fleets in the Manufacturing-Industrial Group said they did at least some reconditioning before selling used cars, while 21 fleets sold their cars "as is."

The average length of time in service for all fleets in the group was 28.6 months, with an average of 58,129 miles driven. A sampling of leased cars in the group revealed that they were in service an average of 25 months before being sold, while company-owned cars were kept an average of 29.6 months. Surprisingly, the leased cars were driven farther (59,024 miles) in a shorter time span than the company-owned cars (58,025 miles).

Manufacturing-Consumer Group

The Manufacturing-Consumer Group consists of 22 fleets operating 10,635 passenger cars (3,585 company-owned, 7,050 leased). These fleets sold 3,263 cars in 1983, 30.7 percent of their total number of vehicles. Of the vehicles sold during the year, 26 percent were 1980 or older models; 59 percent were 1981 models; 14 percent were 1982s; and only 1 percent were 1983 or current year models.

Twenty-eight percent of the cars sold during the year were marketed to employees; 14 percent were sold to wholesalers; 54 percent were sold through auto auctions; 3 percent were traded to new car dealers; and 1 percent were sold to used car dealers.

In 10 fleets the responsibility for marketing used cars is shared by the fleet administrator and a leasing company. Seven fleets said the fleet manager has total control of used car sales; three fleets reported the leasing company has full responsibility; and two fleets said they use a management service to handle used car sales.

Six fleets in the group reported the method of determining the used car price for sale to employees is based on *AMR*. Two fleets each base the price on depreciated book value; wholesale value, and two seek bids from employees. Other methods for establishing the price, mentioned by fleets in the group, included Blue Book plus 10 percent; 1.75 percent depreciation per month; book value; NADA; and Blue Book.

Six fleets reported they are planning to change their 1983 replacement cycle in 1984 and 1985. Three fleets are decreasing the months or miles cars will be kept in service. One fleet is moving from a 70,000-mile replacement to three years and 55,000 miles in 1984, and three years and/or 50,000 miles in 1985. Another fleet is switching from its current cycle of 40 months or 75,000 miles to 36 months or 65,000 miles, while the third, which now replaces cars at 85,000 miles, is switching to a 24-month or 85,000-mile cycle.

Of the three fleets that are increasing their used car cycle, one reports it's moving from 24 months/50,000 miles to 36 months or 60,000 miles; one said it is increasing service life from 24 to 36 months; and the third fleet is going from 60,000 to 75,000 miles.

Only three fleets in the Manufacturing-Consumer Group said they recondition their used cars before selling them; 19 sell the cars as "as is."

For all the cars in the group sold during 1983, the average service life was 29.4 months; average mileage was 57,680. In comparing leased and owned vehicles in the group, the leased cars were kept an average of 28.5 months, compared to 30.2 months for company-owned vehicles. Average mileage at time of sale was 58,129 for leased cars and 57,271 for owned cars.

Food and Beverage Group

This segment of the survey consists of 23 fleets operating 9,112 passenger cars (6,054 company-owned, 3,058 leased). During 1983, the group sold 2,661 vehicles, 29 percent of its total fleet. Of those vehicles sold in 1983, 32 percent were 1981 models; 21 percent were 1982 models; and 5 percent were 1983 or current year model cars.

The fleets in the group sold 30 percent of their used cars to employees; 23 percent were sold to wholesalers; 34 percent were sold through auto auctions; 7 percent were sold to used car dealers; and 6 percent were traded to new car dealers.

In response to the question, who is responsible for the sale of used cars, 11 fleets said fleet managers are responsible. The responsibility is shared with a leasing company in seven fleets, and in two fleets each, the sale of used cars is handled exclusively by a leasing company and a fleet management service.

In setting the price for sales to employees, four fleets rely on *AMR*, while two fleets each said the price is based on wholesale value; book value minus $100; fair market price plus $50, and Black Book value. One fleet each set the price to an employee as net wholesale; depreciation plus $300; bids based on book value, while one fleet uses a "three-bid procedure."

Only four fleets in the group are planning to change their replacement cycle policies. One is shortening the cycle from 100,000 miles to three years or 80,000 miles.

The present vehicle replacement policies within the Food and Beverage Group vary quite widely. Two

"Average mileage when sold is 51,916."

fleets are on a 36-month/60,000-mile cycle; two use a 36-month and/or 55,000-mile replacement policy. The shortest mileage cycle mentioned was 24 months; the longest was 48 months. The highest mileage basis for replacement was 100,000 miles; the shortest was 50,000 miles.

At the present time, only one fleet in the group does any reconditioning of used cars before selling them; 21 sell the cars "as is."

The average months in service for vehicles in the Food and Beverage Group is 29.5; average mileage when sold is 51,976. Among leased fleets in the group, the average mileage is 55,377 with a service life of 28.7 months. For company-owned fleet cars, average service life is 30.1 months at 49,572 miles.

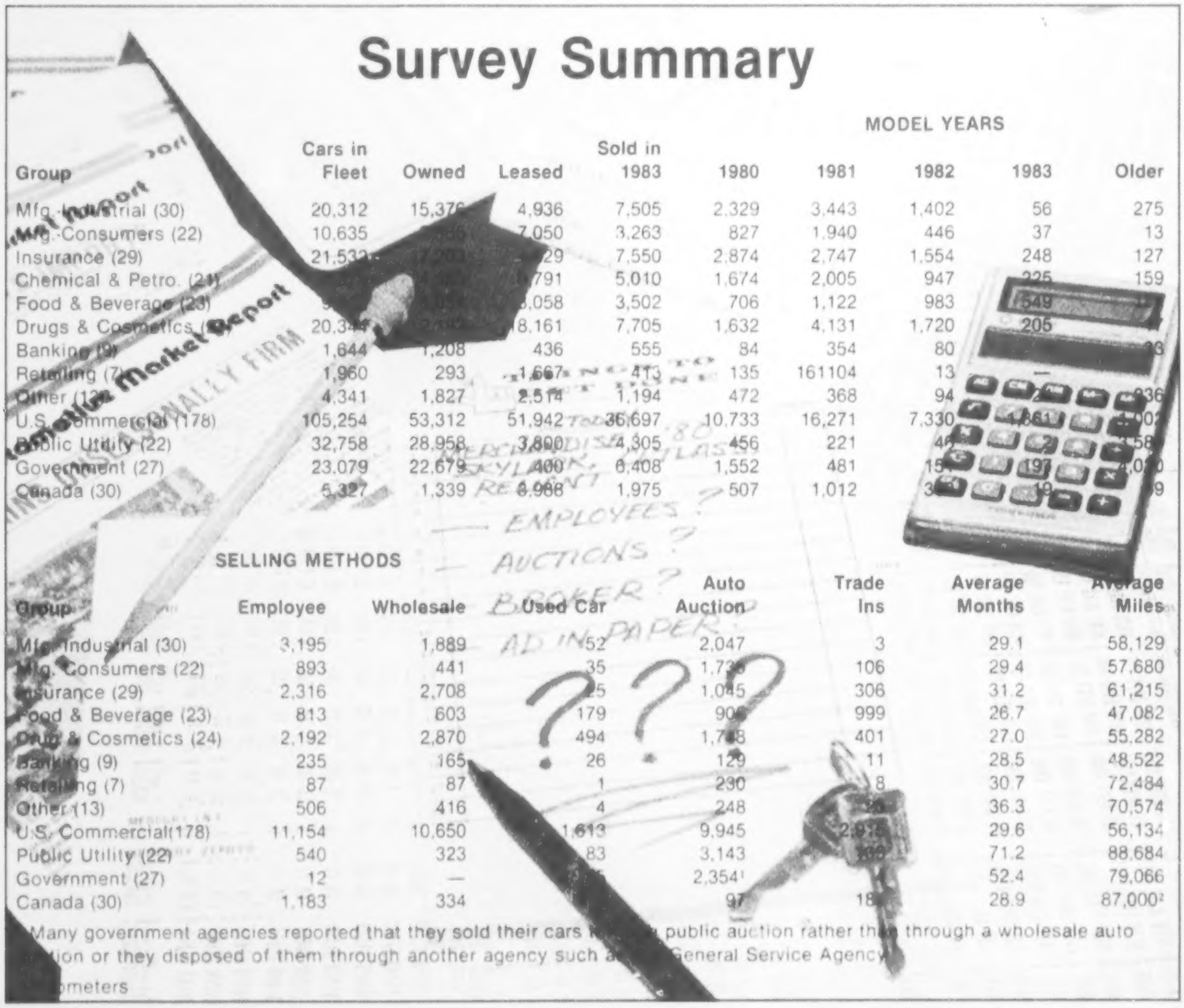
The tabulations for the Food and Beverage Group do not include the response from a 1,000-car, company-owned fleet which has a very short replacement cycle and trades all of its used cars. Including that large fleet in the composite picture would have caused a misleading distortion of the responses.

Chemical and Petroleum Group

The Chemical and Petroleum Group consists of 21 fleets operating 14,374 passenger cars (4,583 company-owned, 9,791 leased). During 1983 the fleets in the group sold 5,010 cars, approximately 35 percent of their total number of vehicles. Of those sold in 1983, 36 percent were 1980 or older models; 40 percent were 1981 models; 19 percent were 1982 models; and 5 percent were 1983 or current year models.

Of the used cars marketed in 1983, these selling methods were used: 18 percent to employees; 54 percent to wholesalers; 21 percent through auto auctions; 6 percent were traded to new car dealers; and less than one-half of 1 percent were sold to used car dealers. In addition, one fleet reported it sold a few cars through bids to "outsiders."

In 13 fleets the fleet manager is responsible for marketing used cars; in three fleets, the fleet administrator and leasing company share the responsibility; and in five fleets a leasing company handles all used car sales.



Survey Summary

Group	Cars in Fleet	Owned	Leased	Sold in 1983	MODEL YEARS 1980	1981	1982	1983	Older
Mfg.-Industrial (30)	20,312	15,376	4,936	7,505	2,329	3,443	1,402	56	275
Mfg.-Consumers (22)	10,635	[illegible]	7,050	3,263	827	1,940	446	37	13
Insurance (29)	[illegible]	[illegible]	[illegible]	7,550	2,874	2,747	1,554	248	127
Chemical & Petro. (21)	[illegible]	[illegible]	[illegible]	5,010	1,674	2,005	947	225	159
Food & Beverage (23)	[illegible]	[illegible]	[illegible]	3,502	706	1,122	983	549	[illegible]
Drugs & Cosmetics (24)	[illegible]	[illegible]	18,161	7,705	1,632	4,131	1,720	205	[illegible]
Banking (9)	1,644	1,208	436	555	84	354	80	[illegible]	[illegible]
Retailing (7)	1,960	293	1,667	413	135	161104	13	[illegible]	[illegible]
Other (13)	4,341	1,827	2,514	1,194	472	368	94	[illegible]	[illegible]
U.S. Commercial (178)	105,254	53,312	51,942	36,697	10,733	16,271	7,330	[illegible]	[illegible]
Public Utility (22)	32,758	28,958	3,800	4,305	456	221	[illegible]	[illegible]	[illegible]
Government (27)	23.079	22,679	400	6,408	1,552	481	[illegible]	197	[illegible]
Canada (30)	5,327	1,339	3,988	1,975	507	1,012	[illegible]	19	[illegible]

SELLING METHODS

Group	Employee	Wholesale	Used Car	Auto Auction	Trade Ins	Average Months	Average Miles
Mfg.-Industrial (30)	3,195	1,889	52	2,047	3	29.1	58,129
Mfg. Consumers (22)	893	441	35	[illegible]	106	29.4	57,680
Insurance (29)	2,316	2,708	[illegible]	1,045	306	31.2	61,215
Food & Beverage (23)	813	603	179	[illegible]	999	26.7	47,082
Drugs & Cosmetics (24)	2,192	2,870	494	[illegible]	401	27.0	55,282
Banking (9)	235	165	26	129	11	28.5	48,522
Retailing (7)	87	87	1	230	8	30.7	72,484
Other (13)	506	416	4	248	[illegible]	36.3	70,574
U.S. Commercial (178)	11,154	10,650	1,613	9,945	[illegible]	29.6	56,134
Public Utility (22)	540	323	83	3,143	[illegible]	71.2	88,684
Government (27)	12	—	[illegible]	2,354[1]	[illegible]	52.4	79,066
Canada (30)	1,183	334	[illegible]	97	[illegible]	28.9	87,000[2]

[1] Many government agencies reported that they sold their cars [illegible] public auction rather th[illegible] through a wholesale auto [illegible]tion or they disposed of them through another agency such a[illegible] General Service Agency.

[2] [illegible]ometers

> **"Four fleets recondition their cars before selling them."**

Two of the 21 fleets in the Chemical and Petroleum Group do not sell used cars to their employees; the other 19 do. In setting the price for a sale to an employee, eight fleets in the group said they use *AMR* as their guide. Two fleets use a combination of book value and NADA formula, while two others use "Blue Book." One fleet each mentioned these methods for setting prices for employee sales; average of wholesale value books; 2.5 percent depreciation per month for the first year, 1.5 percent thereafter; NADA value; depreciation, and Red Book value.

Three fleets in the group reported that they were planning to change their replacement cycling policies in 1984 or 1985. In two fleets the cycle is being lengthened — from 48 months/60,000 miles to 70,000 miles, and 36 months/60,000 miles to 48 months/75,000 miles. The fleet that plans to shorten its cycle in 1985 will go from 48 months/60,000 miles to 48 months/55,000 miles.

The most frequently mentioned replacement cycle (five fleets) is 36 months/60,000 miles. Two fleets have a 36-month/55,000-mile replacement policy. Three fleets use a "mileage only" policy. In two fleets it is 60,000 miles; in the other it is 100,000 miles. One fleet in the group uses "time in service" as the criterion for replacement — 26 months. The shortest cycle in the group is 36 months with a minimum of 35,000 miles. Two fleets are on a 48-month/60,000-mile cycle, while most others are on a 36-month cycle with mileage ranging from a low of 49,000 miles to a high of 100,000 miles. One fleet in the group sets its replacement policy at 60 months or 80,000 miles.

Four fleets in the group reported that they recondition their cars before selling them; 18 said their used cars are sold "as is."

Average months in service for the entire group at time of sale is 31.2 months; with an average mileage of 61,214. A comparison of replacement cycles of leased and company-owned fleets in the group reveals a substantial difference. The leased cars are kept in service an average of 29.5 months, compared to 33.5 months for company-owned vehicles. The leased cars are driven an average of 58,439 miles, while company-owned vehicles are driven an average of 64,820 miles before being sold.

Insurance Group

The Insurance Group, participating in the used car survey, consists of 29 fleets operating 21,532 passenger cars (17,203 company-owned, 4,329 leased). The group sold a total of 7,550 cars in 1983. Of the cars that were sold, 40 percent were 1980 or older models; 36 percent were 1981 models; 21 percent 1982 models; and 3 percent were 1983 or current year models.

In marketing their used cars, the

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"The trend is to shorten the cycle either in miles or months."

Insurance Group used these methods: 31 percent to employees; 19 percent to wholesalers; 25 percent through auctions; 14 percent were traded to new car dealers; and 11 percent were sold to used car dealers.

In 12 fleets marketing used cars is exclusively the responsibility of the fleet administrator. In five fleets it is handled by both the fleet manager and the leasing company. Three fleets said the leasing company handles used car sales and in one fleet the selling is done by a fleet management service. In four fleets the fleet manager and a corporate field office share the responsibility of selling used cars, and in two fleets the operator works with the fleet manager in handling the used car sale.

Four of the 29 fleets reported that they plan to change their replacement cycle policies in 1984. In all four instances, the trend is to shorten the cycle either in miles driven or months in service. Specifically, one fleet is shifting from 48 months/60,000 miles to 48 months/55,000 miles; another with a 48-month/60,000-mile cycle plans to shift to 36 months/55,000 miles. A third fleet whose cycle was four model years is switching to a mileage cycle of 47,000 to 60,000 miles. The fourth fleet, with a current cycle of 30 months/55,000 miles, is switching to a 24-month/50,000-mile policy.

The replacement cycle most frequently used among the Insurance Group fleets is 36 months/60,000 miles (five fleets). Two fleets have a 36-month/55,000-mile replacement policy. Only one fleet in the group replaces its cars solely on a "months in service" basis — 24 months. Three fleets use mileage only as their guide — 55,000 miles in two, 49,000 in the other. All other fleets use a combination of time and/or mileage. The shortest cycle mentioned was 24 months/40,000 miles. The longest was 48 months/75,000 miles.

Every fleet in the group is willing to sell cars to its employees. In 12 fleets the method of determining the used car price is based on *AMR*. Five fleets base the price to an employee on NADA trade-in. Two fleets each base the price on salvage value and Blue Book value. One fleet each mentioned these bases for employee sales: market reports, between wholesale and retail, Black Book, and "wholesale."

Five fleets, of the 29 in the Insurance Group, recondition their used cars before selling them; 23 sell them "as is."

At the time of sale, the average months in service for the Insurance Group's cars is 31.9; the average odometer reading is 52,534 miles.

Drugs and Cosmetics Group

There are 24 fleets represented in the Drugs and Cosmetics Group. They operate 20,344 passenger

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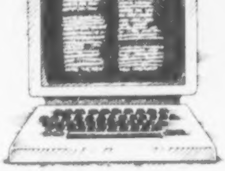

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Circle 132 on Inquiry Card

"The Financial Group sold 42% to their employees."

cars (2,183 company-owned, 18,161 leased). The fleets in this group sold 7,705 vehicles in 1983, 37.9 percent of their total stock. Twenty-one percent of the cars sold in 1983 were 1980 or older models; 54 percent were 1981 models; 22 percent were 1982 models; and 3 percent were 1983 model year cars.

In marketing their used cars during 1983, the Drugs and Cosmetics Group used these methods: 29 percent to employees, 37 percent to wholesalers, 6 percent to used car dealers, 23 percent through auto auctions, and 5 percent traded to new car dealers.

In 15 of the 23 fleets in the group, used car sales are handled by both the fleet administrator and the leasing company. In two fleets it is the sole responsibility of the leasing company, while in one fleet the job is handled by a fleet management service.

Every fleet in the group is willing to sell its used cars to employees. Ten fleets base the used car price on *AMR* values. Three fleets base the price on book value, while two others sell the car at "market value." Other bases for determining the price to employees are (one fleet each) book value plus $300, wholesale value combined with balance of loan, NADA wholesale, Blue Book, Red Book, and market value — condition.

Only one fleet in the group said it plans to change its replacement cycle policy in 1984; it is switching from 36 months/55,000 miles (five fleets); 36 months/50,000 miles (four fleets); and 24 months/50,000 miles (two fleets). Two fleets in the group base replacement only on miles driven — 45,000 and 55,000 miles. Among the other fleets, three have a 24-month cycle with mileage ranging from a low of 55,000 miles to a high of 75,000 miles. Three other fleets use 36 months as the base with mileage requirements ranging from a low of 45,000 to a high of 75,000 miles.

Three fleets in the group report they do some reconditioning before used cars are sold; 21 fleets sell their cars "as is."

The average service life for cars in this group is 27 months; average mileage at time of sale is 55,282 miles.

Banking-Financial Group

This new grouping in the NAFA survey consists of nine respondents who work for banks and financial institutions. The nine fleets consist of 1,644 passenger cars (1,208 company-owned, 436 leased). The group sold 555 cars in 1983, 34 percent of its total fleet. Of the cars that were sold in 1983, 21 percent were 1980 or older models; 64 percent were 1981 models; 14 percent were 1982 models; and 1 percent were 1983 or current year models.

In selling their used cars, the Financial Group sold 42 percent to their employees, 30 percent to

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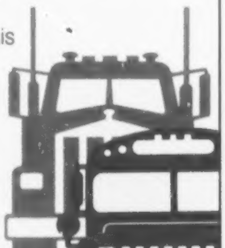

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Circle 134 on Inquiry Card

"The fleet manager handles used-car sales. . ."

wholesalers, 21 percent through auto auctions, only 5 percent to used car dealers, and 2 percent traded to new car dealers.

The fleet manager handles used car sales in five fleets; in three fleets, the leasing company and the fleet administrator share responsibility for used car marketing, while in one fleet the entire job is turned over to a leasing company.

When selling used cars to their employees, the group uses the following methods in setting the price: three rely on Black Book value, two on NADA guides, and one each cited Blue Book along with a wholesale bid, *AMR*, Galves wholesale, and fair market value.

All nine fleets in the Financial Group plan to continue with their current replacement cycle in 1984. Two fleets each have these replacement cycle policies: two years/40,000 miles, three years/50,000 miles, 36 months/60,000 miles. One fleet each uses this replacement cycle: 36 months/55,000 miles, and 48 months/75,000 miles.

One fleet in the group reported that it did recondition its cars before offering them on the used car market; eight fleets said they sold their cars "as is."

The Financial Group's cars were kept in service an average of 29.4 months before being sold. At that time they have been driven an average of 50,057 miles.

Retailing Group

Another new group appearing for the first time in this survey is the Retailing Group, consisting of seven fleets operating 1,960 vehicles (293 company-owned, 1,667 leased). The fleets in this group sold 413 cars during 1983, only 21 percent of their total stock. Of the cars that were sold, one-third were 1980 models; 39 percent were 1981 models; 25 percent were 1982 models; and 3 percent were 1983 or current year models.

The Retailing Group sold 21 percent of its used cars to employees, 21 percent to wholesalers, 56 percent through auto auctions, and 2 percent traded to new car dealers. Less than one-half of 1 percent were sold to used car dealers.

The fleet manager handles used car sales in only one fleet; it was a shared responsibility between the fleet administrator and leasing company in three fleets; and the leasing company sells the used cars for three fleets. Company car operators are involved in the sale of used cars in two fleets usually accompanied by the fleet manager.

In setting the price for a used car sold to an employee, two fleets use *AMR* as their guide. Other fleets use these guidelines: Bookvalue plus $100, wholesale market value, 5 percent under wholesale, 85 percent of *AMR* or book value whichever is higher.

Two of the seven fleets in the Retailing Group said they plan to

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"Five fleets use *AMR* as their guide."

change their replacement cycle in 1984. One is increasing it from 24 months/55,000 miles to 24 months or 65,000 miles; the other is switching from a 60-month/100,000-mile policy to 60 months and/or 125,000 miles. Three remaining fleets in the group have these replacement cycles: 45,000 to 55,000 miles; 58,000 miles; 24 to 30 months; 100,000 miles or condition (economic to drive); 36 to 48 months/65,000 to 80,000 miles.

Every one of the fleets in the group reported that they sold their used cars "as is."

The average length of service for the cars in the group was 30.7 months; average mileage at time of sale was 72,485 miles.

Other

The final group in the U.S. commercial fleet segment of the used car survey consists of 13 fleets that do not fit into any of NAFA's traditional industry classifications. The group includes three newspapers, two educational institutions, and two transportation companies, as well as several other diverse firms.

The 13 fleets in the group operate 4,341 passenger cars (1,827 company-owned, 2,514 leased). The firms in this group sold 1,194 cars during 1983. Of these cars, 59 percent were 1980 or older models; 31 percent were 1981 models; 8 percent were 1982 models, and 2 percent were 1983 or current year models.

Forty-two percent of their used cars were sold to employees; 35 percent went to wholesalers; 21 percent were marketed through auto auctions; two percent were traded to new car dealers, and less than one-half of 1 percent were sold to use car dealers.

Two fleets in the group do not sell used cars to employees. Of the 11 that do, five fleets reported that the job is handled by both the fleet manager and leasing company: the leasing company is responsible for used car marketing in two fleets, and in four fleets the fleet administrator has the major responsibility for the sale of used cars to employees.

In setting the price for employee sales, five fleets use *AMR* as their guide; three base their price on NADA values. Other guidelines mentioned include Blue Book versus condition, highest bid, 5 percent over NADA wholesale, and Galves price list.

Only one fleet in the group reported that it will change its replacement cycle in 1984 — switching from 24 months/55,000 miles to 36 months/60,000 miles.

The other fleets will maintain their current replacement policy. The most frequently mentioned policy was 36 months/60,000 miles (by three fleets). Two fleets in the group base their replacement solely on mileage driven — 55,000 in one,70,000 in the other. Two fleets have 60-month cycles, one with a 60,000 mile minimum, the other with a 100,000-mile limit.

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Circle 137 on Inquiry Card

“Three-fourths were sold through auctions.”

Two fleets have a 48-month and mileage cycles — 80,000 in one fleet, 100,000 in the other. The shortest cycle of any fleet in the group is 24 months/55,000 miles.

Three of the 13 fleets in the group do at least some reconditioning of their cars before selling them; 10 market their used cars “as is.”

The cars in this group are kept in service an average of 36.4 months and are driven an average of 70,758 miles before being sold.

Public Utility Group

The Public Utility segment of the used car survey consists of 22 fleets operating 32,758 passenger cars (28,958 company-owned, 3,800 leased).

The fleets in the group sold only 4,305 cars in 1983, 13 percent of their total stock. Of the cars that were sold during the year, 94 percent were 1980 or older models; 5 percent were 1981 models; 1 percent were 1982 models; and less than one-half of 1 percent were 1983 model year cars.

Nearly three-fourths of the used cars were sold through auctions; 13 percent were sold to employees; 8 percent were sold to wholesalers; 2 percent were traded to used car dealers; and 3 percent were traded to new car dealers.

Thirteen of the 22 public utility fleets are willing to sell used cars to employees; nine do not permit such sales. One fleet reported it used a fleet management service to handle the marketing of their used cars. In the other fleets it is the responsibility of the fleet manager, but in five fleets a corporate field office also participated in the sale of the used vehicles.

In setting the price of cars sold to employees, six fleets said they use NADA values as a guide, three sold on a basis of high bid. Other methods of setting the price to employees include: “mid-book,” residual value of lease, and trade-in value less mileage allowance.

Four public utility fleets said they plan to change their replacement cycle in 1984. In each case the new policy will be to keep cars a shorter period. In one fleet a 36-month/70,000-mile cycle is being changed to 24 months; a fleet with a 39-month/75,000-mile policy is switching to a 36-month/60,000-mile cycle; the third fleet is moving from a 10-year/100,000-mile policy to five years or 60,000 miles. The fourth fleet is changing its policy of selling cars when they became “unserviceable” to a 60-month/60,000-mile cycle.

Among the fleets that don't plan to revise their replacement policies, three have a 100,000-mile in-use program; three others keep vehicles in service for 10 years. Only one fleet has a cycle as short as 36 months/60,000 miles. The majority of the fleets in the public utility group plan to keep vehicles in service a minimum of 60 months.

Only one fleet in the group reconditions its vehicles before they are sold; the other fleets sell their

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☐ *1984 FLEET CARS – A Selection Chart*
☐ *THE LEASE PIECE – Newsletter*
☐ *DRIVER IMPROVEMENT – Chart*
☐ *LEASING LEXICON – Terminology folder*

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FLA

Circle 138 on Inquiry Card

"Most frequent cycle is 72 months."

vehicles "as is."

The public utility group has the distinction of keeping its cars longer and driving them farther than any other segment of the survey. The average service life is 71.2 months at the time of sale, while average mileage is 88,684 miles.

Government

The Government Group consists of 27 fleets operating 23,079 passenger cars (22,679 agency-owned, 400 leased). The government fleets sold 6,408 vehicles in 1983, approximately 28 percent of the total stock.

Of the vehicles sold during the year, 87 percent were 1980 or earlier model cars; 8 percent were 1981 models; 2 percent were 1982 models; and 3 percent were 1983 models.

Ninety-eight percent of the government agency cars are sold through auctions. In a majority of the cases, the marketing is done through a public auction required by statute, rather than through a wholesale auto auction. Only 1 percent of the used cars are sold to government employees, and 1 percent are sold to used car dealers. One fleet trades a few cars to a new car dealer.

In 21 fleets the responsibility for marketing used cars to agency employees rests with the fleet administrator. Four fleets reported they use a fleet management service (in some cases it was another government agency such as the General Service Agency) that handles the disposition and sets the price. Condition and mileage are primary considerations, and they are the basis for setting an "upset bid price."

Six government fleets reported that they plan to change their replacement cycle in 1984. In five of the fleets, the move is to a longer cycle, while one reported it is going to decrease the service life from 84 months/60,000 miles to 60 months/80,000 miles.

The planned increases in service life cited were: 45 months/48,000 miles to 48 months/60,000 miles, 48 months/65,000 miles to 60 months/75,000 miles, 12 months or 60,000 miles to 18 months in one police fleet, 80,000 to 100,000 miles, 58 months/75,000 miles to 72 months/86,000 miles.

Among the fleets that don't plan to change their replacement policies, the shortest cycle mentioned was 24 months/70,000 miles, while the longest was 10 years and 90,000 miles, although several fleets do have a 100,000-mile replacement policy without time limitation. The most frequent cycle for government fleets is 72 months and 60,000 or 70,000 miles.

Eight fleets in the group say they do some reconditioning before selling their used cars; the remainder say they market them in an "as is" condition.

AF

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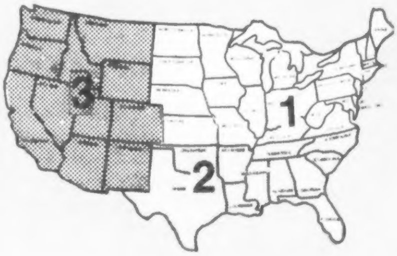
PRICING UPDATE

Used Cars



The following are average car prices for the period ending March 7, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

AVERAGE AUCTION PRICE

Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	4021	4062	3983
Sta Wgn 30	4230	4273	4187
81 AMC CONCORD			
Sdn 6-4 Dr	3248	3282	3217
Sta Wgn	3608	3644	3570
82 BUICK SKYLARK			
Sdn	4705	4754	4658
81 BUICK SKYLARK			
Sdn	3866	3906	3829
82 BUICK REGAL			
Turbo Cpe	6521	6585	6455
Cpe	6317	6381	6255
81 BUICK REGAL			
Turbo Cpe	5743	5800	5685
Cpe	5544	5598	5488
82 BUICK LESABRE			
Sdn	7125	7197	7054
81 BUICK LESABRE			
Sdn	5518	5575	5463
82 CADILLAC			
Cpe DeVille	10980	11090	10871
Sdn DeVille	10915	11023	10806
81 CADILLAC			
Cpe DeVille	8357	8443	8272
Sdn DeVille	8300	8384	8219
82 CHEVY			
Chvt Htchbk 4-Dr	3363	3398	3331
Camaro Cpe8	7008	7079	6940
81 CHEVY			
Chvt Htchbk	2546	2571	2520
Camaro Cpe 8	5293	5345	5240
82 CHEVY CITATION			
Cpe 6	3804	3843	3767
81 CHEVY CITATION			
Cpe 6 Htchbk	3166	3198	3134
82 CHEVY MALIBU			
Sdn	5376	5430	5321
81 CHEVY MALIBU			
Cpe	4207	4247	4165
Sdn	4133	4175	4090
Clas Cpe	4497	4543	4454
82 CHEVY MONTE CARLO			
Cpe	5974	6035	5915
81 CHEVY MONTE CARLO			
Cpe	5286	5340	5233
82 CHEVY IMPALA			
Sdn	6035	6095	5975
Imp Wgn 9	6272	6335	6212
81 CHEVY IMPALA			
Sdn	4787	4835	4738
Cpe	4809	4854	4759
Wgn 9	4986	5035	4936
82 CHRYSLER			
LeBaron Sdn	5774	5830	5715
81 CHRYSLER			
Npt Sdn	5064	5113	5014
82 DODGE OMNI			
4 Dr Custom	3648	3683	3612
81 DODGE OMNI			
4 Dr Htchbk	2801	2830	2775
82 DODGE ARIES			
Cpe	4505	4552	4459
81 DODGE ARIES			
Sdn	3875	3913	3834
82 DODGE DIPLOMAT			
Medal'n Sdn	5206	5258	5152
Sln Sdn	4918	4966	4869
81 DODGE DIPLOMAT			
Sln Cpe	4182	4224	4140
Sln Sdn	4182	4224	4140
82 FORD FAIRMONT			
Futura Sdn 4Dr	4203	4244	4161
81 FORD FAIRMONT			
Sdn 4 Dr	3286	3318	3255
82 FORD MUSTANG			
Cpe 4	4365	4411	4323
81 FORD MUSTANG			
Cpe 4	3654	3692	3618
82 FORD GRANADA			
Sdn 6-L	4909	4959	5092
81 FORD GRANADA			
Sdn 8-L	3937	3976	3899
82 FORD LTD			
Sdn	6334	6396	6269
81 FORD LTD			
Sdn	5055	5104	5004
81 FORD ESCORT			
Sdn 4 Dr	2885	2914	2858
82 FORD CROWN VIC			
Sdn	7130	7203	7058
81 FORD CROWN VIC			
Sdn	5727	5783	5669
82 FORD THUNDERBIRD			
Cpe	6068	6129	6006
81 FORD THUNDERBIRD			
Cpe	5233	5283	5179
82 LINCOLN CONTINENTAL			
Sdn	12403	12526	12280
Mark VI Sdn	12533	12658	12409
81 LINCOLN CONTINENTAL			
Sdn Town Series	8658	8744	8571
Mark VI Sdn	10532	10637	10425
82 MERCURY COUGAR			
GS Cpe	4950	4999	4901
Sdn	4950	4999	4901
81 MERCURY COUGAR			
Cpe	3972	4013	3931
Sdn	3972	4013	3931
81 MERCURY ZEPHYR			
Sdn 2 Dr	3315	3349	3283
82 MERCURY LYNX			
HthBk 3-Dr	3515	3553	3482
82 MERCURY MARQUIS			
Sdn	6703	6771	6637
81 MERCURY MARQUIS			
Sdn	5379	5432	5325
Wgn-2	5495	5551	5440
82 OLDS CIERA			
Cpe	5836	5895	5777
Sdn	5916	5976	5859
82 OLDS CUTLASS SUPREME			
Cpe	6317	6381	6285
Sdn	6075	6137	6015
81 OLDS CUTLASS			
Sdn	5170	5222	5118
Sup Cpe	5544	5598	5488
82 OLDS DELTA 8			
Sdn	6901	6971	6832
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2808	2837	2752
82 PLYMOUTH RELIANT			
Cpe	4491	4537	4449
81 PLYMOUTH RELIANT			
Cpe	3860	3897	3822
81 PONTIAC FIREBIRD			
Cpe 8	5345	5400	5292
81 PONTIAC LEMANS			
Cpe 8	4405	4449	4361
82 PONTIAC PHOENIX			
Cpe	4514	4561	4470
Htchbk Sdn	4514	4561	4470
81 PONTIAC PHOENIX			
Cpe 6	3636	3671	3596
81 PONTIAC CATALINA			
Sdn	5041	5090	4990
Bonneville Sdn	5563	5619	5508
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4074	4115	4033
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3294	3327	3261
IMPORTS			
82 DATSUN			
210 2 Dr Std Sdn	3442	3476	3407
Sentra 2 Dr Std Sdn	3813	3849	3775
Stanza Hbk 2 Dr DLX	4934	4984	4885
81 DATSUN			
210 Std 2 Dr	2890	2919	2862
510 2 Dr Sdn	3684	3720	3647
810 DL 4 Dr	5664	5721	5607
82 TOYOTA			
Corolla Sedan 2 Dr	4469	4513	4424
Celica St Cpe	5628	5684	5572
Corona Sdn-Lux	5896	5956	5837
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3576	3612	3541
Celica St Spt Cpe	4339	4384	4296
Corona Sdn 4 Dr DLK	4041	4082	4001

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may 1984

automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR AND LIGHT TRUCK FLEET OPERATORS

$20
special edition

FACT BOOK

statistics
manufacturers
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MAY 1984 VOL. 23, NO. 7

automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

statistics

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READER UPDATE

Calendar

MAY

6-9 — Transportation and Distribution Conference, Atlanta Hilton, Atlanta, GA.

16-20 — Western Vehicle Leasing Association, Americana Canyon Hotel, Palm Springs, CA.

17 — Evaluation of Financial Leases, London Business School, London, England.

JUNE

4-6 — Second World Leasing Convention, Mayflower Hotel, Washington, D.C. Info: (212) 227-2860.

10-13 — Electric Utility Fleet Managers Conference, Williamsburg, VA.

11-13 — Fundamentals of Cost Accounting, American Management Association, AMA Headquarters, New York, NY, and Amfac Hotel, Los Angeles, CA. Info: (518) 891-0065.

JULY

11-12 — NAFA Advanced Fleet Management Program, Chicago, IL.

12-14 — Hertz Rent-a-Car Licensee Convention, Renaissance Center, Detroit, MI.

AUGUST

5-8 — NAFA Law Enforcement Seminar, Memphis, TN.

26-29 — Automotive World Congress, Renaissance Center, Detroit, MI.

Gas Prices

UNLEADED

City	Full-Serve	Self-Serve
Albany, NY	124.9	119.9
Dubuque, IA	134.4	114.9
Chicago, IL	147.4	123.6
South Bend, IN	147.2	118.2
Louisville, KY	143.6	118.2
Shreveport, LA	134.2	110.4
Worcester, MA	120.4	114.4
Minneapolis, MN	153.8	123.5
Jefferson City, MO	118.5	111.5
Fargo, ND	154.2	121.9
Tulsa, OK	130.9	112.9
Charleston, SC	150.2	119.9
Victoria, TX	149.9	112.4
Arlington, VA	144.9	120.0
Milwaukee, WI	139.2	120.8

Survey conducted during the first five working days of April, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Industry News

SECOND H.R. 1415 HEARINGS POSTPONED

Congressman James Florio's (D-NJ) Subcommittee on Commerce, Transportation, and Tourism postponed a second hearing on H.R. 1415, legislation aimed at eliminating manufacturers' incentives to fleets. The Subcommittee first heard testimony on December 19, 1983, and the second set of hearings was to have been held on April 5. Chrysler was the only manufacturer speaking out against the bill last December, but both GM and Ford were expected to formally join the bill's opponents' ranks by testifying before the Subcommittee.

The second hearing was postponed at the request of the full Subcommitte staff. Although opponents are somewhat confident of having presented a sound case against the bill, Congressman Florio's words should spark concern: "I happen to think the bill is deserving of consideration. I think the bill is very important and addresses a major problem, specifically the FTC's failure to enforce consumer protection laws, such as the Robinson-Patman Act. We could forestall a second hearing and go directly to markup if I can get written concurrence from the majority of the Subcommittee."

ACCIDENTAL DEATHS CONTINUE TO DECLINE

As part of a report on accidental deaths, the National Safety Council reported recently that '83 saw the 4 percent reduction in motor vehicle accidents over '82. The '83 estimate was 44,300, in comparison with 46,000 fatalities in '82. The '83 death rate, therefore, was 2.73 motor-vehicle deaths for every 100 million vehicle miles, the lowest rate on record.

Dick Tippie, the Council's traffic safety manager, attributed the decline to a number of factors, including increased awareness of the dangers of drunk driving and increased punishment for drunk driving; increased child-passenger protection laws; increased defensive driving training; and increased safety belt use, which rose 2 percent during the last year and is now estimated at 14 percent.

RUNZHEIMER REPORTS COSTS PER MILE, EXPENSE BREAKDOWN

Cost per mile figures for '84 compact and intermediate cars can range from a low of 20.9 cents to a high of 48.3 cents, depending on annual mileage. Runzheimer and Company, Inc., recently calculated per mile costs for typical 4-cylinder compact and 6-cylinder intermediate '84-model cars, equipped with standard accessories such as auto-

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Industry News

matic transmission, power steering, power disc brakes, and AM radio. Their costs include ownership expenses (insurance, depreciation, financing, taxes, and license) and operating expenses (gas, oil, tires, and maintenance).

A compact driven 5,000 miles per year will cost 42.6 cents per mile; 10,000 miles per year, 28.5 cents per mile; 15,000 miles per year, 23.6 cents per mile; 20,000 miles per year, 21.4 cents per mile; and 25,000 miles per year, 20.9 cents per mile. An intermediate driven 5,000 miles per year will cost 48.6 cents per mile; 10,000 miles per year, 33.0 cents per mile; 15,000 miles per year, 27.3 cents per mile; 20,000 miles per year, 24.8 cents per mile; and 25,000 miles per year, 24.1 cents per mile. (Calculations are based on the assumptions that a car driven 25,000 miles per year is traded after 50,000 miles; that cars driven 10,000, 15,000, and 20,000 miles per year are traded after 60,000 miles; and that a car driven 5,000 miles a year is traded after 40,000 miles.)

Runzheimer also recently compiled a comparative cost analysis, showing a breakdown for per mile costs on compact and intermediate '84 models. *See box.* The expense breakdown is for typical compact and intermediate cars driven 15,000 miles per year and traded in after four years. Costs will vary depending upon section of the country.

COMPARATIVE COST ANALYSIS
(15,000 miles per year)

Cost Component	Cost Per Mile for 1984 Model Cars	
	Compact	Intermediate
Gasoline and Oil	6.5¢	8.0¢
Maintenance	1.0	1.1
Tires	0.7	0.7
Operating Cost Subtotal	8.2¢	9.8¢
Insurance	3.0¢	3.8¢
License, Registration, and Taxes	0.7	0.8
Depreciation	8.2	9.0
Finance Expense	3.5	3.9
Ownership Cost Subtotal	15.4¢	17.5¢
TOTAL COSTS	23.6¢	27.3¢

FIRST STANDARD THEFT-DETERRENT SYSTEM

A theft-deterrent system will be standard on two new Nissan models, the turbo-charged 200SX and the 300SX. The built-in electronic anti-theft system will be computer controlled and automatically activated when the driver locks the car. Triggered by micro-switches in the doors, hood, and rear hatch, the system activates horn and lights and disengages the starter motor, and it can be deactivated only by the proper key.

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Circle 114 on Inquiry Card

Circle 115 on Inquiry Card →

1. statistics

FLEET FIGURES BY TYPE AND SIZE AS OF 1/1/84

CARS

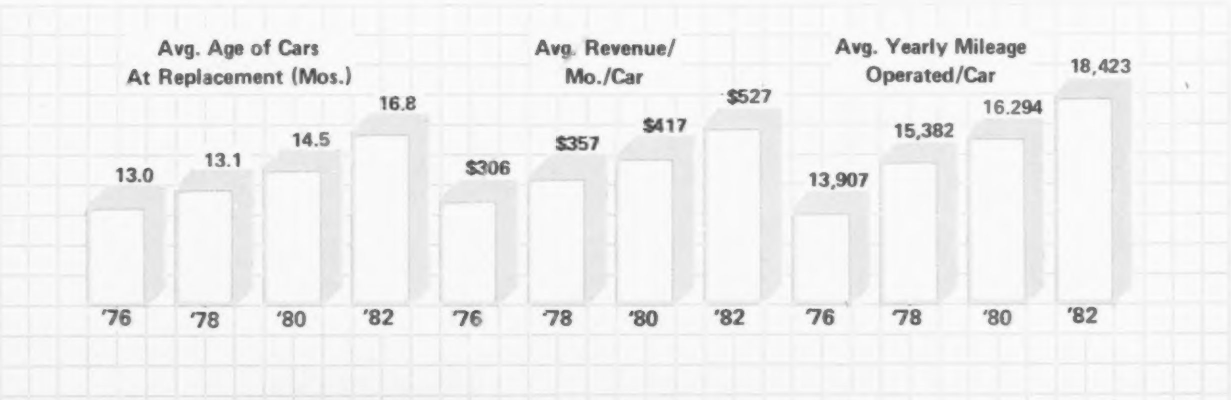
Type of Fleet	Leased	Owned	Employee-Owned	Total
Businesses with 25 or More Cars	2,002,000	224,000	340,000	**2,566,000**
Businesses with 10 to 24 Cars	293,000	156,000	292,000	**741,000**
Other				
Government (Federal, state, county, and local.)	70,000	430,000	—	**500,000**
Utilities	22,000	511,000	—	**533,000**
Police	3,000	218,000	—	**221,000**
Taxi	18,000	121,000	Unknown	**139,000**
Daily Rental	65,000	401,000	—	**466,000**
Driving Schools	1,000	17,000	—	**18,000**
Fleet Total	**2,474,000**	**2,078,000**	**632,000**	**5,184,000**
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	1,653,000	—	—	1,653,000
INDUSTRY TOTAL	**4,127,000**	**2,078,000**	**632,000**	**6,837,000**

TRUCKS — CLASS I AND II (Under 10,000 GVW)

Type of Fleet	Leased	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, construction, plumbing, heating, food distribution, pest control, cable TV, etc.)	615,000	245,000	**860,000**
Businesses with 10 to 24 Light Trucks	163,000	75,000	**238,000**
Utilities	35,000	495,000	**530,000**
Government (Federal, state, county, and local.)	38,000	202,000	**240,000**
Other (Police, taxi, daily rental, etc.)	3,000	27,000	**30,000**
TOTAL	**854,000**	**1,224,000**	**1,898,000**

U.S. DAILY RENTAL MARKET PROFILE

Position	Company (Incl. Franchises)	TOTAL MARKET No. Cars	 '83 Revenue	% AIRPORT MARKET SHARE '82	 '83
1	Hertz	135,000	$ 735,000,000	37%	34%
2	Avis	100,000	545,000,000	25%	25%
3	National	85,000	460,000,000	18%	19%
4	Budget	80,000	435,000,000	14%	17%
	All others, including off-airport	66,000	350,000,000	6%	5%
TOTALS		**466,000**	**$2,525,000,000**	**100%**	**100%**



Source: *Automotive Fleet* Research Department

FLEET REGISTRATIONS BY MONTH AND YEAR

Totals include all fleets of 10 or more units.

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
JAN	86,925	81,419	93,226	111,651	117,455	136,778	117,135	110,666	93,700	100,500
FEB	85,625	61,590	85,445	103,849	117,726	118,112	97,789	100,205	78,300	91,200
MAR	87,302	79,099	90,890	102,672	124,982	127,114	118,773	108,836	84,500	105,800
APR	93,033	74,925	105,378	116,813	125,334	127,626	113,690	102,059	96,900	93,800
MAY	91,431	87,239	114,060	122,224	128,161	129,908	105,421	113,894	104,800	100,800
JUN	89,173	93,607	115,903	134,231	143,766	126,107	104,894	124,838	117,700	137,200
JUL	81,105	76,901	91,462	96,991	126,709	112,889	83,827	94,546	95,700	101,400
AUG	55,155	49,392	60,270	78,737	98,608	82,593	65,761	70,411	66,800	84,300
SEP	77,154	50,009	50,458	65,181	72,024	37,708	58,540	80,102	65,900	88,600
OCT	92,739	101,963	91,153	102,549	117,804	96,414	82,87	82,802	81,400	111,100
NOV	109,736	85,519	106,077	133,812	148,787	104,463	128,626	111,798	110,900	136,700
DEC	134,069	113,600	160,458	175,642	183,453	160,894	160,800	117,100	138,600	150,000
Total	**1,083,447**	**955,158**	**1,164,807**	**1,344,352**	**1,504,809**	**1,360,606**	**1,237,832**	**1,223,257**	**1,135,200**	**1,301,400**

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U.S. CARS IN FLEETS BY TYPE OF BUSINESS

TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	**1974**	**1975**	**1976**	**1977**	**1978**	**1979**	**1980**	**1981**	**1982**	**1983**
Salesman Owned	373	364	357	353	350	348	345	341	340	340
Company Owned	209	204	198	195	208	215	222	226	228	224
Leased by Companies (By Types of Lease)										
Finance & Management	1,235	1,262	1,391	1,412	1,540	1,580	1,588	1,617	1,525	1,553
Partial/Full Management	272	268	262	258	187	184	234	230	319	315
Net/Fixed	139	136	125	133	123	121	146	139	136	134
TOTAL Fleet Leased	1,646	1,666	1,778	1,803	1,850	1,885	1,968	1,986	1,980	2,002
Business Fleets—10-24 cars										
Owned	506	501	496	488	475	470	458	452	450	448
Leased	168	174	211	228	241	256	266	282	288	293
Individually Leased	1,008	1,072	1,217	1,385	1,610	1,690	1,708	1,713	1,645	1,653
Other Fleets										
Government	611	628	635	642	648	645	651	649	500	500
Utilities	482	497	508	518	523	529	532	537	530	533
Police	261	278	286	292	294	291	288	284	223	221
Taxi	185	193	202	202	205	207	205	198	141	139
Daily Rental	361	354	373	385	448	462	500	462	457	466
Driver School	26	25	26	26	24	21	20	19	18	18
TOTAL	1,926	1,975	2,030	2,065	2,142	2,155	2,196	2,149	1,869	1,877
NOTE: Number of Cars in Fleets of 4 or More	10,324	10,398	10,403	10,414	10,423	10,428	10,433	10,436	10,076	10,400

TRUCKS IN RENTAL

(All Classes, in Thousands)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Daily Rental	165	157	155	158	182	194	195	193	188	191

Source: *Automotive Fleet* Research Department

NEW FLEET VEHICLES REGISTERED

CARS **On all accounts buying 10 or more new units each year.** **In Thousands**

	1974	**1975**	**1976**	**1977**	**1978**	**1979**	**1980**	**1981**	**1982**	**1983**
Renting/Leasing	750	707	833	962	1,117	1,030	887	895	841	1,014
Commercial	178	150	181	205	216	211	207	215	185	194
R/L + Commercial	928	856	1,014	1,167	1,333	1,241	1,094	1,110	1,026	1,209
Government*	108	93	90	98	99	89	83	73	71	66
TOTAL	1,036	950	1,104	1,265	1,432	1,330	1,117	1,183	1,097	1,275

TRUCKS **On all accounts buying 10 or more new units each year.** **In Thousands**

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Renting/Leasing	145	115	148	204	242	226	181	150	150	160
Commercial	194	127	152	200	231	246	199	182	147	144
R/L + Commercial	339	242	300	404	473	472	380	332	297	304
Government*	80	76	65	73	80	86	88	70	67	66
TOTAL	419	318	365	477	553	558	468	402	364	371

*Excludes Federal Government

1983 Model-Year Registrations Fleet vs. Retail

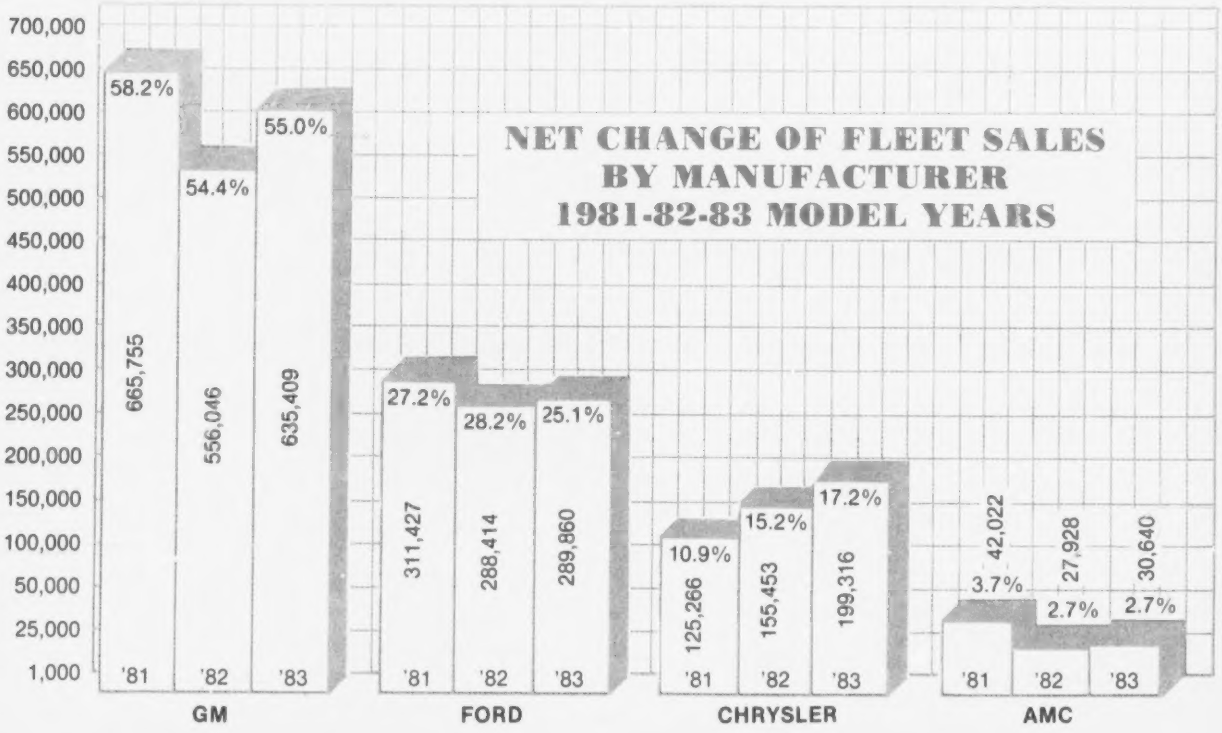
MODEL	Retail Totals	Fleet Totals	%Fleet vs Retail
COMPACT			
Alliance	119,955	13,822	
Concord/Spirit	19,237	12,849	
Eagle/SX4	26,316	3,717	
Skylark	84,187	26,680	
Citation	91,108	27,320	
Aries	124,650	50,319	
Laser	925	42	
Daytona	802	20	
Fairmont	25,920	40,758	
Granada	17,611	968	
Mustang	98,850	13,924	
Tempo	36,006	20,744	
Topaz	21,745	4,510	
Zephyr	21,626	17,140	
Omega	45,335	11,829	
Reliant	161,757	65,197	
Phoenix	25,588	6,223	
Total Compact	**921,618**	**316,062**	**34.3%**
SUBCOMPACT			
Encore	1,987	252	
Skyhawk/SW	84,187	26,680	
Cavalier	193,417	16,672	
Chevette	155,405	20,995	
Charger	45,238	5,141	
Omni	45,843	5,189	
Dodge Colt	34,747	2,053	
Sapporo	13,018	177	
Challenger	14,760	174	
Escort	279,686	37,449	
EXP	25,920	548	
Lynx	86,894	14,211	
Capri	25,500	4,011	
Firenza	39,694	2,930	
Horizon	50,861	7,170	
Turismo	37,079	1,174	
Plymouth Colt	31,516	1,827	
T1000	36,146	2,059	
J2000	71,968	6,738	
Fiero	725	21	
Total Subcompact	**1,274,591**	**1,115,225**	**12.2%**
LARGE			
Electra	67,233	6,281	
Riviera	42,790	4,928	
Cimmaron/Seville	43,203	5,036	
Eldorado	57,756	7,802	
Fleetwood/Cpe/Sdn	151,766	17,658	
Fifth Ave.	77,700	5,086	
"E" Class New Yorker	70,104	10,728	
Continental/Mark VI/ Town Car	105,326	33,623	
98	98,185	10,385	
Toronado	33,054	3,649	
Parisienne	10,048	450	
Catalina/Bonneville	22,599	10,676	
Total Large	**779,764**	**116,302**	**14.9%**
STANDARD			
LeSabre	109,058	10,989	
Impala/Caprice	182,945	37,604	
Diplomat	25,071	18,043	
Grand Marquis	97,341	9,261	
Delta 88/SW	286,688	34,232	
Gran Fury	15,867	10,415	
Total Standard	**716,970**	**120,544**	**16.8%**
INTERMEDIATE			
Regal/SW	183,653	46,457	
Century	109,995	24,095	
Camero	162,400	10,542	
Monte Carlo	82,558	12,471	
Celebrity/SW	112,573	37,865	
Malibu/SW	71,738	33,913	
Monte Carlo	82,558	12,471	
Corvette	21,965	2,009	
Cordoba	15,294	703	
LeBaron	80,566	9,543	
Mirada	5,463	320	
600/400	61,989	5,995	
LTD	79,159	49,328	
Thunderbird	74,704	13,020	
Cougar	63,350	8,897	
Marquis	57,688	21,468	
Cutlass Supreme	229,054	75,811	
Cutlass Ciera/SW	135,307	29,891	
Firebird	86,617	6,707	
6000	69,934	11,938	
Grand Prix	74,877	8,867	
Lemans/SW/ Bonneville Mod "G"	64,444	13,993	
Total Intermediate	**2,088,286**	**446,846**	**21.4%**
Total Domestic	**5,781,229**	**1,115,225**	**20.0%**
Total Import	**2,390,475**	**43,672**	**1.8%**
Total Industry	**8,171,704**	**1,158,897**	**14.2%**

Retail totals include fleet registrations.

FLEET REGISTRATIONS 1977-1983 MODEL YEARS

	1977	1978	1979	1980	1981	1982	1983
AMERICAN MOTORS	53,310 *4.3%*	56,600* *4.0%*	53,668* *3.8%*	61,112* *5.4%*	42,022 *3.7%*	27,928 *2.7%*	30,640 *2.7%*
BUICK	56,183 *4.4*	61,131 *4.3*	75,007 *5.3*	100,181 *8.8*	139,486 *12.2*	121,626 *11.9*	146,110 *12.6*
CADILLAC	41,207 *3.3*	46,427 *3.3*	49,175 *3.5*	30,691 *2.7*	23,626 *2.1*	25,301 *2.5*	30,496 *2.6*
CHEVROLET	289,171 *22.9*	349,762 *24.8*	377,469 *26.5*	285,758 *25.2*	262,572 *22.9*	214,275 *20.9*	222,404 *19.2*
CHRYSLER	31,500 *2.5*	43,500 *3.1*	61,253 *4.3*	28,631 *2.5*	20,730 *1.8*	17,415 *1.7*	26,102 *2.3*
DODGE	94,900 *7.5*	95,600 *6.8*	75,859 *5.3*	42,647 *3.7*	46,723 *4.1*	59,216 *6.0*	87,254 *7.6*
FORD	267,300 *21.1*	310,622 *22.0*	281,078 *19.7*	239,354 *21.1*	213,801 *18.7*	186,500 *18.3*	176,739 *15.3*
LINCOLN-MERCURY	132,539 *10.5*	137,952 *9.8*	138,805 *9.7*	76,871 *6.8*	97,626 *8.5*	101,914 *10.0*	113,121 *9.8*
OLDSMOBILE	110,956 *8.8*	110,352 *7.8*	129,824 *9.1*	140,478 *12.4*	165,738 *14.5*	135,478 *13.2*	168,727 *14.6*
PLYMOUTH	125,200 *9.9*	111,300 *7.9*	70,497 *5.0*	50,704 *4.5*	57,813 *5.0*	78,822 *7.1*	85,960 *7.4*
PONTIAC	61,093 *4.8*	86,923 *6.2*	111,172 *7.8*	78,842 *6.9*	74,333 *6.5*	58,366 *5.7*	67,672 *5.9*
DOMESTIC TOTAL *PERCENTAGE TOTAL*	1,264,359 *100%*	1,410,177 *100%*	1,423,807 *100%*	1,135,269 *100%*	1,144,470 *100%*	1,021,841 *100%*	1,155,225 *100%*

*Basic registration data is furnished by each manufacturer, and they may use differing bases. *Includes Jeep*



NET CHANGE OF FLEET SALES BY MANUFACTURER 1981-82-83 MODEL YEARS

SIZE AND MODEL CARS PURCHASED BY MAJOR LEASING COMPANIES 1983 vs. 1982

SIZE AND MODEL (In Percent)

Large	Standard	Intermediate	Compact	Subcompact	Imports
Electra	LeSabre	Regal	Alliance	Encore	All Foreign-Made Cars
Riviera	Impala	Century	Concord/Spirit	Skyhawk	
Coupe de Ville	Caprice	Monte Carlo	Eagle/SX4	Cavalier	
Sedan de Ville	Diplomat	Celebrity	Skylark	Chevette	
Cimarron	LTD Crown Vic	Camaro	Citation	Charger	
Fleetwood	Grand Marquis	Cordoba	Aries	Omni	
Eldorado Cpe.	Delta 88	LeBaron	Laser	Colt	
Seville Sedan	Gran Fury	Mirada	Daytona	Sapporo	
Imperial		600/400	Fairmont	Challenger	
Fifth Ave.		LTD	Granada	Escort	
New Yorker		Thunderbird	Mustang	EXP	
Continental		Cougar	Topaz	Lynx	
Mark VI		Marquis	Zephyr	Capri	
Town Car		Cutlass Sup.	Calais	LN7	
Olds 98		Cutlass Ciera	Reliant	Firenza	
Toronado		Firebird	Phoenix	Horizon	
Parisienne		6000		Turismo	
Catalina		Grand Prix		Colt	
Bonneville				T1000	
				J2000	
				Fiero	

COMPANY	YEAR	Large	Standard	Intermediate	Compact	Subcompact	Imports
AUTOMOTIVE RENTALS, INC.	1983	9.9	5.5	53.1	25.5	5.2	0.8
	1982	7.3	6.5	43.3	38.5	3.0	1.4
AVIS CAR LEASING	1983	4.1	18.5	50.3	17.5	7.8	1.8
	1982	7.5	8.5	62.1	16.7	3.1	2.1
COMMERCIAL CREDIT/McCULLAGH	1983	5.9	13.2	51.6	16.5	8.8	4.0
	1982	6.6	15.2	43.6	25.0	6.3	3.3
DART & KRAFT PORTFOLIO	1983	1.5	8.3	58.0	25.1	6.6	0.5
	1982	4.0	5.0	39.0	44.0	7.0	1.0
GELCO	1983	2.0	6.8	32.2	52.1	6.0	0.9
	1982	2.0	6.0	31.0	53.1	7.0	0.9
HERTZ CAR LEASING	1983	3.0	8.0	40.0	37.5	3.5	9.0
	1982	2.0	6.0	38.0	42.0	4.0	8.0
LEASEWAY TRANSPORTATION	1983	3.0	10.0	52.0	33.0	2.0	–
	1982	10.0	10.0	37.0	45.0	2.0	–
LEND-LEASE	1983	6.0	13.0	49.0	22.0	5.0	5.0
	1982	8.0	11.0	28.0	47.0	2.0	4.0
PETERSON, HOWELL & HEATHER	1983	1.2	5.3	43.2	42.7	6.0	1.6
	1982	1.4	5.0	32.9	54.7	5.8	0.2
U.S. FLEET LEASING	1983	3.6	20.5	38.2	33.1	3.5	1.1
	1982	4.0	20.0	36.0	35.0	4.0	1.6
WHEELS	1983	0.4	9.9	60.3	25.5	3.6	0.8
	1982	1.5	11.4	46.8	37.3	2.1	0.9

AALA FLEET COSTS SURVEY FOR CLOSED-END LEASES

Comparative Analysis of Average Per Unit Per Month Costs Years 1983 and 1982

OPERATING COSTS:	1983	1982	Increase (Decrease) Amount	Increase (Decrease) Percentage	Percentage of Total
Depreciation	$173.40	$169.18	$4.22	2.49%	54.2%
Repairs and maintenance	33.07	33.19	(.12)	(.36)	1.5
Insurance	13.15	14.82	(1.67)	(11.27)	21.3
License tags and taxes	7.93	7.84	.09	1.10	1.2
Interest	63.99	63.92	.07	.10	0.8
Delivery	1.96	1.67	.29	17.36	3.7
Total Operating Costs	**$293.50**	**$290.62**	**$2.88**	**.99**	**36.9**
General and administrative	34.63	29.70	4.93	16.60	63.1
TOTAL COSTS	**$328.13**	**$320.32**	**$7.81**	**2.44%**	**100.0%**

	1983	1982	1981	1980	1979	1978	1977	1976
Total costs per month	$328.13	$320.32	$306.82	$276.29	$247.98	$228.31	$212.01	$198.67
Avg. mos. in operation	30.2	28.1	27.3	27.4	26.6	26.3	26.1	26.0
Avg. annual mileage	29,770	34,646	31,894	34,591	28,952	30,609	28,568	26,000

Composition of the AALA Fleet

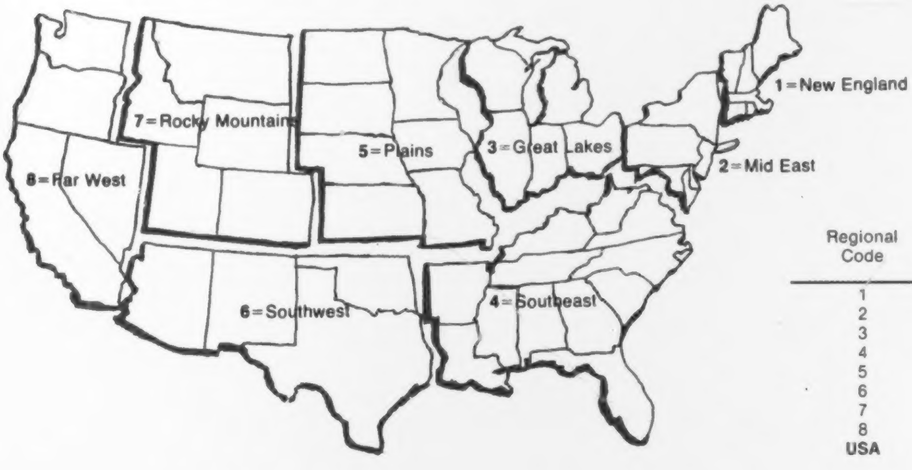
	Standard Models %	Intermediate Models %	Compact Models %	Air Conditioning %	Chevrolet %	Ford %	Chrysler %	Pontiac %	Oldsmobile %	Buick %	Cadillac %	Others %	Percent of Chev., Ford & Chrys./Ply. in Fleets
Averages—1983	23	53	24	96	31	12	6	7	20	10	2	12*	49
Averages—1982	23	51	26	94	32	11	5	8	18	12	3	11*	49
Averages—1981	23	51	26	96	32	15	2	5	18	13	3	12*	49
Averages—1980	32	48	20	96	40	15	1	6	14	9	2	13	56
Averages—1979	45	43	12	98	42	20	2	6	8	7	3	12	64
Averages—1978	48	44	8	93	44	16	3	4	9	4	6	14	63
Averages—1977	45	47	8	95	38	27	3	3	6	6	3	14	68
Averages—1976	46	48	6	95	36	25	3	3	10	10	3	10	64

Used-Car Disposition

	RECONDITIONING		DISPOSITION					
	% of AALA Members Doing Recon.	Average Amount	New Car Dealer Sales	New Car Dealer Trades	Used Car Dealers	Auctions	Lessee Employees	Other/Retail
1983	73%	$287	6%	—	52%	10%	14%	18%
1982	66%	$224	8%	—	46%	16%	16%	14%
1981	80%	$241	6%	4%	46%	13%	16%	20%
1980	57%	$218	7%	1%	43%	20%	20%	9%
1979	60%	$185	5%	2%	51%	21%	12%	9%
1978	61%	$170	11%	1%	43%	19%	14%	12%
1977	65%	$147	10%	1%	48%	14%	18%	9%
1976	65%	$169	5%	2%	55%	15%	16%	7%

*Indicates others/foreign
Source: AALA Survey

FLEET CAR OPERATING COSTS BY REGION



Regional Code	Running Expenses ¢/mile	Standing Expenses ¢/mile
1	7.95	296.80
2	8.62	276.32
3	7.74	280.60
4	8.40	272.56
5	7.93	266.14
6	8.35	264.77
7	8.43	265.57
8	8.42	273.76
USA	**8.14**	**276.06**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as interest, insurance, and license fees. Data covers leased cars and company-owned cars, from December 1983 Fleet Composite information.
Source: Peterson Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

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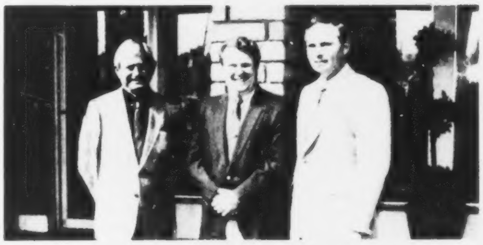

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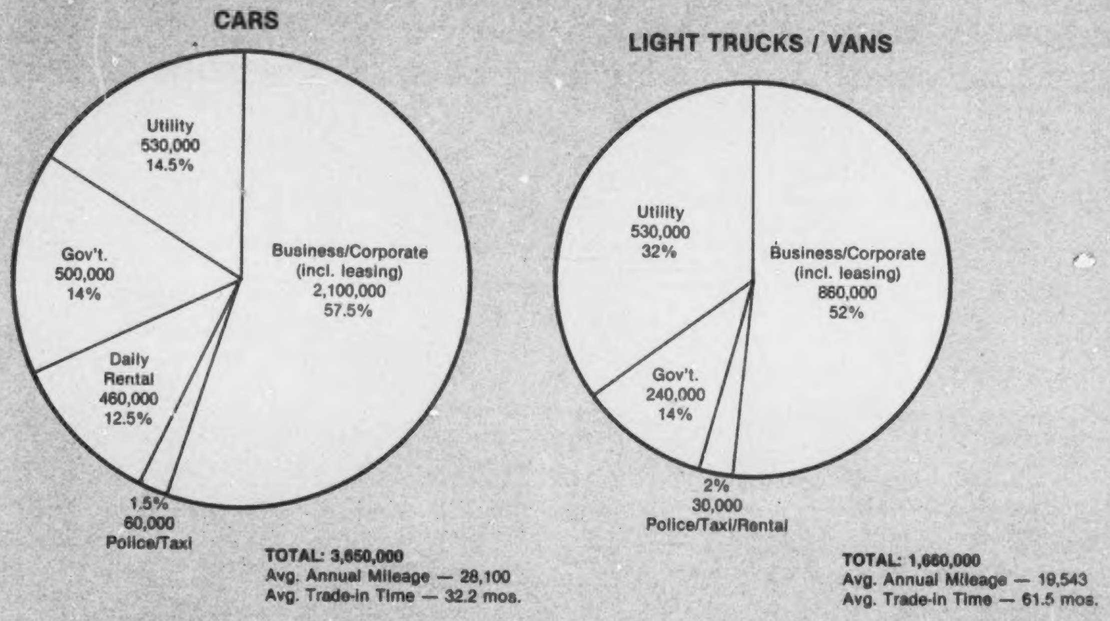
COMPOSITION OF THE *AUTOMOTIVE FLEET* FLEET/LEASING MARKET



Note: Figures and percentages very nearly represent universe profile except for Police and Taxi.

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NAFA PERSONAL-USE AND USED CAR MARKETING DATA

Personal-Use Reimbursement

Mileage Only
(Assigned Fleet Car Not in Service)
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983
15¢ or less	4%	3%	5%	2%
16, 17, 18, 19¢	41%	15%	13%	9%
20¢	43%	66%	68%	73%
21, 22, 23, 24¢	11%	17%	11%	14%
25¢ or more	*	*	3%	3%

Mileage Only
(No Assigned Fleet Car)
U.S. Commercial Fleets Only

Amount	1980	1981	1982	1983
15¢ or less	3%	1%	2%	2%
16, 17, 18, 19¢	43%	13%	15%	11%
20¢	43%	68%	69%	72%
21, 22, 23, 24¢	11%*	17%*	10%	12%
25¢ or more	*	*	4%	3%

Note: *Not broken out in surveys for those years, but included in "more than 20 cents a mile" total.
Source: NAFA's Annual Personal-Use Study, February, 1984.

Used-Fleet-Car Marketing Data

	U.S. Commercial Fleet Totals	Representative Leased Fleets	Sample of Owned Fleets
Total Cars in Survey	105,254	19,091	35,352
Cars Sold in 1983	34.8%	33%	34%
Model Year Cars Sold			
1980 or Older	32%	31%	35%
1981	44%	48%	45%
1982	20%	16%	19%
1983	4%	5%	1%

	U.S. Commercial Fleet Totals	Representative Leased Fleets	Sample of Owned Fleets
Selling Methods			
To Employees	30%	24%	37%
Wholesalers	29%	33%	30%
Used Car Dealers	5%	3%	1%
Auto Auctions	27%	32%	31%
Trade-In	8%	8%	1%
Other (wreck/salvage)	1%	—	—
Average Months in Service	29.6	28.4	30.5
Average Miles when Sold	56,135	56,668	58,039

Source: NAFA's Annual Used-Car Marketing Study, March 1984.

Ben Rombouts

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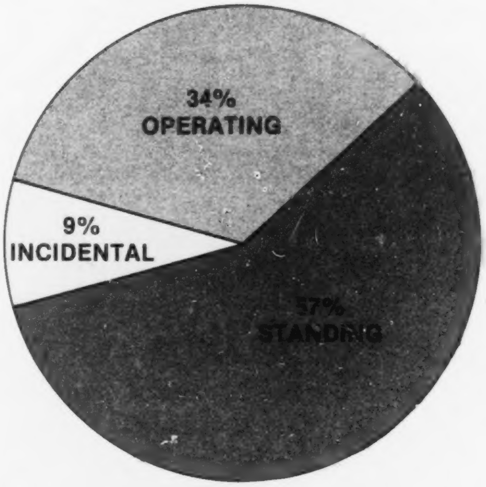
NAFA SURVEY OF OPERATING EXPENSES

Operating Expenses Comparisons Composite Fleets 1981-1983

	1981	1982	1983
Avg. Miles per Month	1,822	1,880	1,821
OPERATING EXPENSES			
(cents cost per car per mile)			
Fuel	.0745	.0643	.0579
Oil	.0012	.0011	.0016
Tires & Tire Repair	.0059	.0057	.0041
Repair & Maintenance	.0142	.0150	.0157
Total Operating Expenses	.0958	.0861	.0793
INCIDENTAL EXPENSES			
(dollar cost per car per month)			
License & Taxes	$ 6.23	$ 8.63	$ 9.95
Accident Repairs—Recoveries	8.65	7.39	8.85
Washing	5.04	6.14	4.12
Parking & Tolls	16.48	12.09	11.06
Miscellaneous	3.29	2.98	2.97
Total Incidental Expenses	$39.69	$37.23	$36.95
STANDING EXPENSES			
(dollar cost per car per month)			
Leasing Service Charge of Interest	$ 74.86	$ 76.38	$ 72.05
Depreciation Reserve	154.89	161.37	153.65
Depreciation Adjustment	– 17.56	– 23.06	– 12.38
Selling Expenses	1.35	11.38	5.04
Insurance	21.27	23.94	20.96
Total Standing Expenses	$234.81	$250.01	$239.32
CREDITS			
(Dollar return per car per month)			
Personal Use Credit	$ 41.48	$ 42.28	$ 47.70
NET EXPENSES			
(Incidental expenses plus standing expenses less credits)	$230.87	$244.96	$228.77

Source: *NAFA's annual Survey of Operating Expenses, April 1984.*

Composite Fleet Breakdown of Expenses



Does not reflect personal use or equipment credits.

Operating Expense Comparisons 1981-1983

Mid-Size Cars

	1981	1982	1983
Avg. Miles per Month	1,799	2,027	2,236
Fuel	.0781	.0748	.061[illegible]
Oil	.0010	.0014	.0016
Tires & Tire Repair	.0064	.0053	.0064
Repair & Maintenance	.0118	.0105	.0169
Total Operating Expenses	.0973	.0920	.0865
Avg. price per gallon of fuel	$1.35	$1.36	$1.235
Avg. miles per gallon	17.3	18.2	20.05

Compact Cars

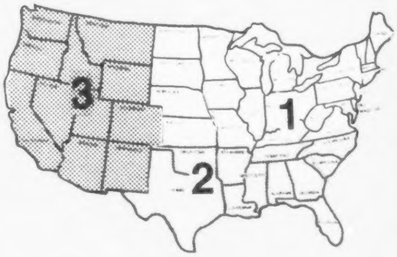
	1981	1982	1983
Avg. Miles per Month	1,794	2,339	2,153
Fuel	.0725	.0627	.0517
Oil	.0011	.0015	.0017
Tires & Tire Repair	.0052	.0040	.0035
Repair & Maintenance	.0123	.0112	.0126
Total Operating Expenses	.0911	.0794	.0695
Avg. price per gallon of fuel	$1.35	$1.36	$1.235
Avg. miles per gallon	18.6	21.8	24.1

1984 EPA RATINGS

Make & Model	Engine Description*	Trans.	MPG
AMERICAN MOTORS			
AMC Eagle	158/4	M4	20
Renault Alliance	85/4	A3	28
Renault Encore	85/4	M5	34
Jeep Cherokee Wagoneer	150/4	M5	24
BUICK			
Century	181/6	A3	21
Electra	307/8	A4	17
Le Sabre	307/8	A4	17
Century Wagon	181/6	A3	19
Regal	231/6	A3	21
Riviera	307/8	A4	17
Skyhawk	110/4	M5	29
Skylark	121/4	M4	28
CADILLAC			
Brougham/DeVille	249/8	A4	17
Eldorado	249/8	A4	18
Seville	249/8	A4	18
Cimarron	121/4	M5	27
CHEVROLET			
Camaro	151/4	M4	24
Chevette	98/4	M5	31
Cavalier	121/4	A3	28
Celebrity	173/6	A3	21
Citation	173/6	A3	21
Monte Carlo	305/8	A4	18
Impala/Caprice	305/8	A4	17
Cavalier Wagon	121/4	M4	28
CHRYSLER			
Fifth Avenue	318/8	A3	17
New Yorker	156/4	A3	23
Le Baron Turbo	135/4	A3	22
Laser	135/4	M5	24
DODGE			
Charger	97/4	M4	34
Conquest Turbo	156/4	M5	21
Daytona	135/4	M5	24
Omni	135/4	M5	28
Aries	156/4	A3	23
Diplomat	318/8	A3	17
FORD			
Escort	98/4	M5	28
LTD	231/6	A4	21
LTD Crown Vic	302/8	A4	17
LTC Crn Vic Wagn	302/8	A4	17
Mustang	140/4	M4	24
Thunderbird	140/4	M5	21
Tempo	140/4	A3	25

Make & Model	Engine Description*	Trans.	MPG
LINCOLN			
Mark VII	302/8	A4	17
Continental	302/8	A4	17
Town Car	302/8	A4	17
MERCURY			
Capri	140/4	A3	23
Topaz	140/4	A3	25
Marquis	231/6	A4	21
Grand Marquis	308/8	A4	17
Lynx	98/4	M5	28
Cougar	140/4	M5	21
OLDSMOBILE			
Ciera	181/6	A3	21
Cutlass Supreme	231/6	A3	21
Toronado	307/8	A4	17
Firenza	121/4	M5	27
98	307/8	A4	17
Olds Wagon	307/8	A4	17
PLYMOUTH			
Horizon	135/4	A3	26
Reliant	156/4	A3	23
Colt Turbo	98/4	M4x2	30
PONTIAC			
Firebird	305/8	M5	16
200 Sunbird	110/4	M5	32
Bonneville	231/6	A3	21
6000	151/4	A3	25
Parisenne	231/6	A3	19
Gran Prix	305	A4	18
Phoenix	173/6	A3	21
NISSAN			
Maxima	146/4	M5	23
Pulsar	98/4	M5	35
Sentra	98/4	A3	30
TOYOTA			
Celica	144/4	M5	26
Corolla	97/4	M5	32
Cressida	168/6	A4	22
Tercel	89/4	M5	34
Camry	122/4	A4	30
VOLKSWAGEN			
Jetta	105/4	M5	30
Rabbit	105/4	M4	31
Scirocco	109/4	A3	25
Quantum	131/5	A3	20
ISUZU			
I-Mark	111/4	A3	26
Impulse	119/4	M5	24

Used Cars



The following are average car prices for the period ending April 4, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	4005	4045	3967
Sta Wgn	4213	4256	4171
81 AMC CONCORD			
Sdn 6-4 Dr	3216	3250	3185
Sta Wgn	3387	3420	3352
82 BUICK SKYLARK			
Sdn	4681	4730	4635
81 BUICK SKYLARK			
Sdn	3827	3867	3791
82 BUICK REGAL			
Turbo Cpe	6488	6552	6423
Cpe	6594	6659	6527
81 BUICK REGAL			
Turbo Cpe	5771	5829	5714
Cpe	5572	5626	5515
82 BUICK LESABRE			
Sdn	7096	7168	7025
81 BUICK LESABRE			
Sdn	5507	5564	5452
82 CADILLAC			
Cpe DeVille	10892	11002	10785
Sdn DeVille	10827	10935	10720
81 CADILLAC			
Cpe DeVille	8332	8418	8248
Sdn DeVille	8275	8359	8194
82 CHEVY			
Chvt Htchbk 4-Dr	3319	3354	3288
Camaro Cpe8	7043	7114	6974
81 CHEVY			
Chvt Htchbk	2513	2537	2487
Camaro Cpe 8	5356	5409	5303
82 CHEVY CITATION			
Cpe 6	3804	3843	3767
81 CHEVY CITATION			
Cpe 6 Htchbk	3150	3182	3118
82 CHEVY MALIBU			
Sdn	5349	5403	5294
81 CHEVY MALIBU			
Cpe	4186	4226	4145
Sdn	4113	4154	4070
Clas Cpe	4475	4520	4432
82 CHEVY MONTE CARLO			
Cpe	5956	6017	5897
81 CHEVY MONTE CARLO			
Cpe	5285	5340	5233
82 CHEVY IMPALA			
Sdn	5987	6047	5927
Imp Wgn 9	6222	6284	6162
81 CHEVY IMPALA			
Sdn	4773	4821	4723
Cpe	4795	4280	4745
Wgn 9	4971	5020	4921
82 CHRYSLER			
LeBaron Sdn	5785	5842	5726
81 CHRYSLER			
Npt Sdn	5054	5102	5004

	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone3
81 DODGE OMNI			
4 Dr Htchbk	2801	2830	2775
82 DODGE ARIES			
Cpe	4505	4552	4459
81 DODGE ARIES			
Sdn	3855	3894	3814
82 DODGE DIPLOMAT			
Sln Sdn	4908	4956	4860
81 DODGE DIPLOMAT			
Sln Cpe	4174	4216	4113
Sln Sdn	4174	4216	4131
82 FORD FAIRMONT			
Futura Cpe	4317	4363	4275
81 FORD FAIRMONT			
Sdn 4 Dr	3230	3262	3200
82 FORD MUSTANG			
Cpe 4	4352	4398	4310
81 FORD MUSTANG			
Cpe 4	3643	3681	3607
82 FORD GRANADA			
Sdn G-L	5091	5142	5042
81 FORD GRANADA			
Sdn 8-L	3901	3940	3864
82 FORD LTD			
Sdn	6309	6370	6244
81 FORD LTD			
Sdn	5040	5088	4989
81 FORD ESCORT			
Sdn 4 Dr	2856	2885	2829
82 FORD CROWN VIC			
Sdn	7101	7174	7029
81 FORD CROWN VIC			
Sdn	5709	5766	5652
82 FORD THUNDERBIRD			
Cpe	6056	6116	5994
81 FORD THUNDERBIRD			
Cpe	5233	5282	5179
82 LINCOLN CONTINENTAL			
Sdn	12316	12438	12194
Mark VI Sdn	12508	12633	12384
81 LINCOLN CONTINENTAL			
Sdn Town Series	8657	8744	8571
Mark VI Sdn	10532	10637	10425
82 MERCURY COUGAR			
GS Cpe	4905	4954	4857
Sdn	4905	4954	4857
81 MERCURY COUGAR			
Cpe	3936	3977	3896
Sdn	3936	3977	3896
81 MERCURY ZEPHYR			
Sdn 2 Dr	3259	3293	3227
82 MERCURY LYNX			
HthBk 3-Dr	3479	3517	3448
82 MERCURY MARQUIS			
Sdn	6683	6750	6617

	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone3
81 MERCURY MARQUIS			
Cpe	6057	6121	5998
Sdn	6037	6098	6234
Wgn-2	5472	5529	5418
82 OLDS CIERA			
Cpe	6965	7037	6896
Sdn	7058	7130	6989
82 OLDS CUTLASS SUPREME			
Cpe	6336	6400	6273
Sdn	6093	6156	6033
81 OLDS CUTLASS			
Sdn	5196	5248	5144
Sup Cpe	5572	5626	5515
82 OLDS DELTA 8			
Sdn	6874	6943	6804
Cpe Royale	7206	7277	7134
81 PLYMOUTH HORIZON MISER			
4 Dr Htchbk	2808	2837	2782
82 PLYMOUTH RELIANT			
Cpe	4490	4537	4449
81 PLYMOUTH RELIANT			
Cpe	3840	3877	3803
81 PONTIAC FIREBIRD			
Cpe 8	5409	5465	5355
81 PONTIAC LEMANS			
Cpe 8	4383	4427	4339
82 PONTIAC PHOENIX			
Cpe	4491	4538	4448
Htchbk Sdn	4491	4538	4448
81 PONTIAC PHOENIX			
Cpe 6	3600	3634	3560
81 PONTIAC CATALINA			
Sdn	5026	5074	4975
Bonneville Sdn	5546	5602	5491
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	4074	4115	4033
81 VOLKSWAGEN RABBIT			
2-Dr HtchBk	3294	3327	3261
82 DATSUN			
210 2 Dr Std Sdn	3442	3476	3407
Sentra 2 Dr Std Sdn	3813	3849	3775
Stanza Hbk 4 Dr DLX	5028	5077	4978
81 DATSUN			
210 Std 2 Dr	2890	2919	2862
510 2 Dr Sdn	3684	3720	3647
810 DL 4 Dr	5664	5721	5607
82 TOYOTA			
Corolla Sedan 2 Dr	4469	4513	4424
Celica St Cpe	5628	5684	5572
Corona Sdn Lux	5896	5956	5837
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3576	3612	3541
Celica St Spt Cpe	4339	4384	4296
Corona Sdn 4 Dr DLK	4041	4082	4001

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june 1984

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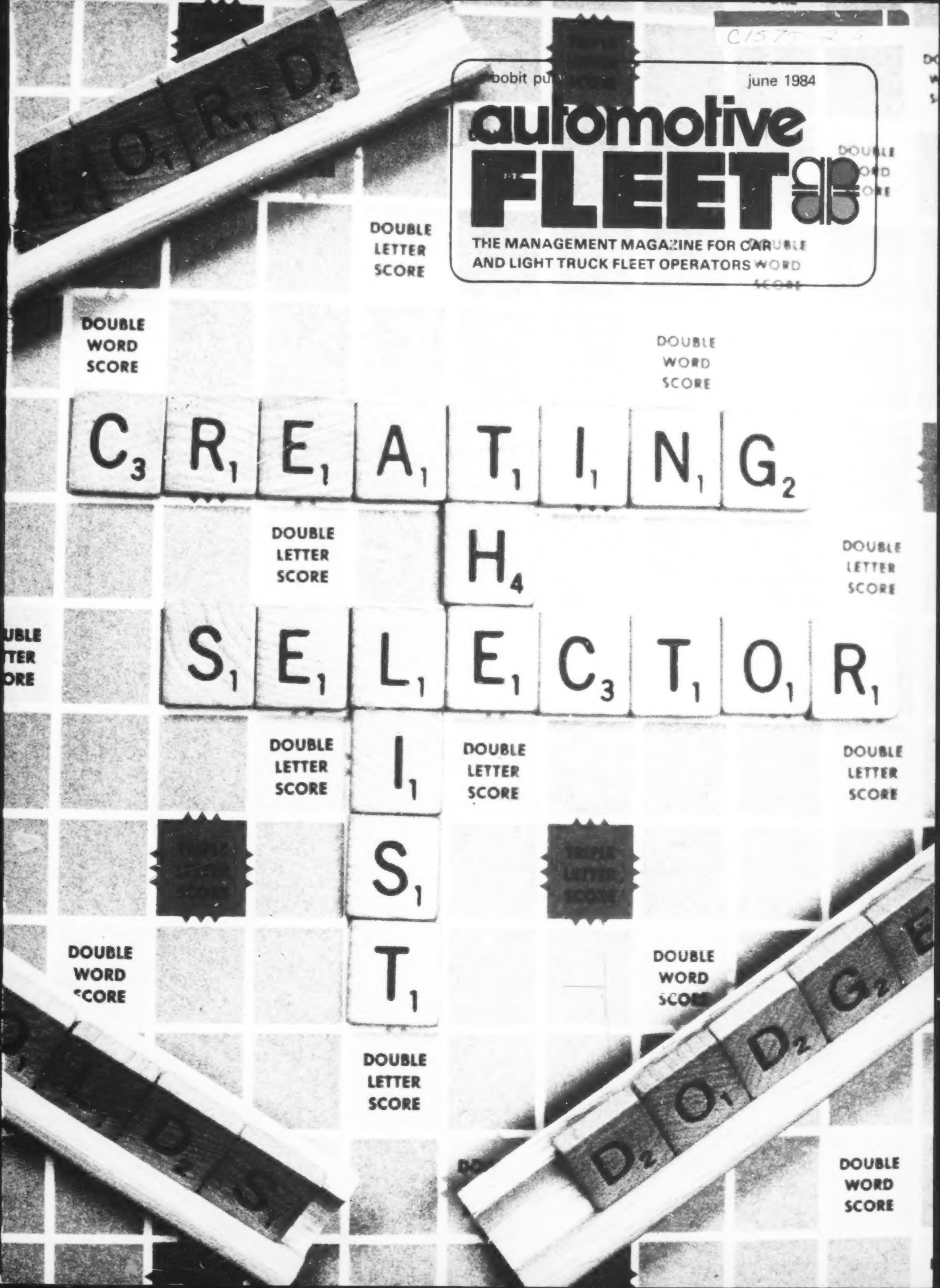
CREATING
THE
SELECTOR
LIST
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DOUBLE WORD SCORE
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TRIPLE LETTER SCORE

JUNE 1984 VOL. 23, NO. 8

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Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

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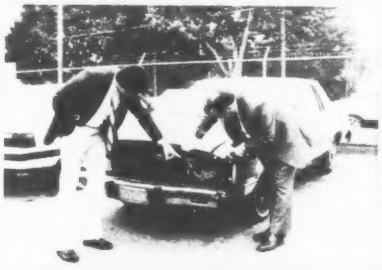

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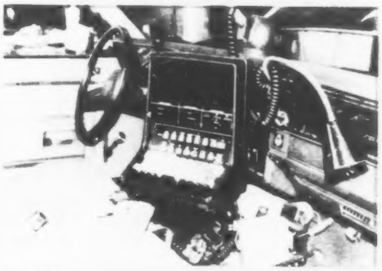

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On our cover: Creating a selector list can sometimes seem like a game of Scrabble. This month, our lead feature story presents the reflections and advise of a number of pros.

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Calendar

JUNE

4-6 — Second World Leasing Convention, Mayflower Hotel, Washington, D.C. Info: (212) 227-2860.

10-13 — Electric Utility Fleet Managers Conference, Williamsburg, VA.

11-13 — Fundamentals of Cost Accounting, American Management Association, AMA Headquarters, New York, NY, and Amfac Hotel, Los Angeles, CA. Info: (518) 891-0065.

26-28 — Hertz Licensee Fleet Meeting, Hyatt Regency, Dearborn, MI.

26-29 — How Leasing Companies Make Money, WVLA. On 6/26 in Los Angeles, 6/27 in San Francisco, 6/28 in Portland, and 6/29 in Denver. Info: (213) 477-4287.

JULY

11-12 — NAFA Advanced Fleet Management Program, Chicago, IL.

AUGUST

3-5 — Automotive Parts and Accessories Association Show, Las Vegas Convention Center, Las Vegas, NV.

5-8 — NAFA Law Enforcement Seminar, Memphis, TN.

26-29 — Automotive World Congress, Renaissance Center, Detroit, MI.

Gas Prices

UNLEADED

	Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Birmingham, AL	149.4	117.9
Little Rock, AR	144.9	113.4
Santa Ana, CA	155.4	123.9
Waterbury, CT	130.9	115.9
Wilmington, DE	143.9	109.2
Pensacola, FL	139.0	112.9
Kalamazoo, MI	153.9	129.4
Springfield, MO	123.9	110.9
Albuquerque, NM	135.4	117.4
Staten Island, NY	141.6	137.6
Toledo, OH	130.6	115.9
Scranton, PA	127.5	127.5
Memphis, TN	139.9	115.2
San Antonio, TX	122.9	107.9
Olympia, WA	143.9	116.9

Survey conducted during the first five working days of May, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Fleet Operating Costs Fall

807000	37434.37	37434.37	35838.08	33193.07	30551.45	23068.17	23945.75
808000	4211.00	4211.00	2038.47	2038.47	2038.47	2038.47	2038.47
809000	1699.00	1699.00	1534.00	1336.00	1134.60	1134.60	1134.60
810000	7077.67	7077.67	7077.67	6473.67	5993.67	4556.67	4006.67
[illegible]	15344.12	15344.12	13278.94	11967.04	9327.19	7012.89	4664.49
[illegible]	3815.45	3815.45	2314.30	2234.30	1338.92	1248.92	841.70
[illegible]	10466.03	[illegible]	0.00	0.00	0.00	0.00	0.00
815000	[illegible]	[illegible]	183.30	0.00	0.00	0.00	0.00
818000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5922.74
821000	[illegible]	[illegible]	2320.08	[illegible]	[illegible]	[illegible]	1936.00
822000	3484.67	3484.67	3166.96	3242.97	[illegible]	2543.25	1455.63
823000	10890.51	10890.51	[illegible]	[illegible]	[illegible]	3646.87	3646.87
824000	1380.00	1380.00	[illegible]	[illegible]	[illegible]	175.00	0.00
825000	70425.81	70425.81	[illegible]	61134.37	50390.86	46343.11	40018.42
830000	102.00	102.00	[illegible]	102.00	102.00	102.00	102.00
835000	103.15	103.15	[illegible]	[illegible]	[illegible]	103.15	79.15
840000	1170.96	1170.96	1170.96	[illegible]	[illegible]	0.00	0.00
841000	25263.40	25263.40	14358.70	[illegible]	[illegible]	11874.70	5527.70
851000	5234.75	5234.75	4832.25	4832.25	4832.25	4832.25	4832.25
860000	114572.93	114572.93	59528.61	59528.61	59528.61	40528.61	40528.61
870000	100833.23	100833.23	47656.60	47656.60	47656.60	[illegible]	47656.60
871000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
872000	36000.63	36000.63	25268.89	25268.89	25268.89	[illegible]	25268.89
873000	2700.48	2700.48	2525.48	1968.65	1929.43	[illegible]	1259.28
874000	5810.12	5810.12	5666.74	5666.74	4075.89	[illegible]	2236.41
876000	1802.97	1802.97	1740.16	1583.54	1546.44	1303.44	1022.27
877000	22980.55	22980.55	22438.14	18806.14	17934.14	17233.81	[illegible]
881000	7500.00	7500.00	7500.00	3000.00	3000.00	3000.00	[illegible]
980000	-33375.23	-33375.23	-27268.91	-21854.61	-19135.36	-16461.33	[illegible]
981000	-9972.50	-9972.50	-8867.50	-8262.50	-7407.50	-6152.50	[illegible]
982000	0.00	0.00	0.00	0.00	0.00	0.00	[illegible]
983000	-29841.66	-29841.66	-755.73	-755.73	-755.73	-755.73	-755.73

Fleet operating expenses in 1983 declined for the second year in a row after 10 consecutive years of increases. This is according to the annual operating expense survey conducted by the National Association of Fleet Administrators. A total of 85 fleets, operating more than 75,000 passenger cars, submitted data for the annual survey.

Operating expenses declined about two-thirds of a cent per mile in the "composite" fleet (those fleets that do not break out expenses by the size of car). Operating expenses declined about one cent per mile for compact cars, and approximately one-half cent a mile for mid-size cars.

Using a figure of $1.235 as an average price for a gallon of fuel (the Runzheimer estimate which is exactly half-way between the estimates used by two large fleet management companies), average miles per gallon for compacts was 24.1; the average miles per gallon for mid-size cars was 20.05; and for the composite fleet it was 21.3.

The results of the survey are based on NAFA's recommended classification of automobile expenses. Under this system, fleet costs are divided into three major categories:

Operating Expenses: These costs consist of all expenses directly related to running a vehicle — fuel, oil, tires and tire repair, and normal maintenance and repair. These expenses are computed in cents per mile per car.

Incidental Expenses: These costs consist of licenses and taxes, accident repairs less recoveries, washing, parking and tolls, and miscellaneous expenses. These costs are computed on a dollars per car per month basis.

Standing Expenses: The final category consists of investment costs, either interest paid on purchases or leasing company service charges, depreciation reserve, insurance, and selling costs. Deducted from these expenses are depreciation adjustments (if any) after a vehicle is sold. The standing expenses are also expressed in dollars per car per month.

Subtracted from the incidental and standing expenses are chargebacks or credits for personal use and optional equipment acquired by the company car operator.

Composite Fleet

The largest segment of the survey responses fell into the composite fleet group that consists of those fleets reporting total expenses without breaking out those expenses by car size grouping.

The actual make-up of the composite fleet in the 1983 survey is 2 percent subcompacts, 72 percent

NAFA SURVEY OF OPERATING EXPENSES

Operating Expenses Comparisons Composite Fleets 1981-1983

	1981	1982	1983
Avg. Miles per Month	1,822	1,880	1,821

OPERATING EXPENSES

(cents cost per car per mile)	1981	1982	1983
Fuel	$.0745	.0643	.0579
Oil	.0012	.0011	.0016
Tires & Tire Repair	.0059	.0057	.0041
Repair & Maintenance	.0142	.0150	.0157
Total Operating Expenses	$.0958	.0861	.0793

INCIDENTAL EXPENSES

(dollar cost per car per month)	1981	1982	1983
License & Taxes	$ 6.23	$ 8.63	$ 9.95
Accident Repairs—Recoveries	8.65	7.39	8.85
Washing	5.04	6.14	4.12
Parking & Tolls	16.48	12.09	11.06
Miscellaneous	3.29	2.98	2.97
Total Incidental Expenses	$39.69	$37.23	$36.95

STANDING EXPENSES

(dollar cost per car per month)	1981	1982	1983
Leasing Service Charge or interest	$ 74.86	$ 76.38	$ 72.05
Depreciation Reserve	154.89	161.37	153.65
Depreciation Adjustment	– 17.56	– 23.06	– 12.38
Selling Expenses	1.35	11.38	5.04
Insurance	21.27	23.94	20.96
Total Standing Expenses	$234.81	$250.01	$239.32

CREDITS

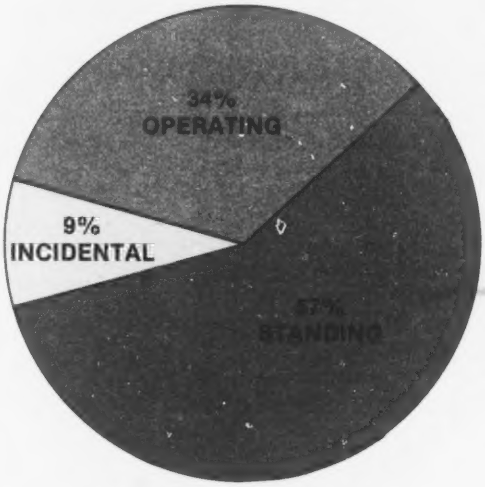
(Dollar return per car per month)	1981	1982	1983
Personal Use Credit	$ 41.48	$ 42.28	$ 47.70

NET EXPENSES

	1981	1982	1983
(Incidental expenses plus standing expenses less credits)	$230.87	$244.96	$228.77

Source: NAFA's annual Survey of Operating Expenses, April 1984.

Composite Fleet Breakdown of Expenses



Does not reflect personal use or equipment credits.

Operating Expense Comparisons 1981-1983

Mid-Size Cars

	1981	1982	1983
Avg. Miles per Month	1,799	2,027	2,236
Fuel	.0781	.0748	.0616
Oil	.0010	.0014	.0016
Tires & Tire Repair	.0064	.0053	.0064
Repair & Maintenance	.0118	.0105	.0169
Total Operating Expenses	.0973	.0920	.0865
Avg. price per gallon of fuel	$1.35	$1.36	$1.235
Avg. miles per gallon	17.3	18.2	20.05

Compact Cars

	1981	1982	1983
Avg. Miles per Month	1,794	2,339	2,153
Fuel	.0725	.0627	.0517
Oil	.0011	.0015	.0017
Tires & Tire Repair	.0052	.0040	.0035
Repair & Maintenance	.0123	.0112	.0126
Total Operating Expenses	.0911	.0794	.0695
Avg. price per gallon of fuel	$1.35	$1.36	$1.235
Avg. miles per gallon	18.6	21.8	24.1

NAFA's Recommended Classification of Automobile Expenses

Operating Expenses (Expressed in cents cost per mile)

1. *Fuel.* Include additives, if allowed.
2. *Oil.* Include engine oil, oil additives, if allowed and oil changes. Do not include lubrication or filters.
3. *Tires.* Include purchase of replacement tires, snow and studded tires or cost of studding; deduct adjustments on returns. Include repairs, charges for rotation. Do not include balancing or alignment charges.
4. *Maintenance & Repair.* Include all mechanical and electrical repair, excluding repair of accidental damage. Include chassis lubrication, transmission and hydraulic fluids, wheel balancing and alignment, brake adjustments and towing. Include all charges for regular maintenance and tune-ups. Maintenance & Repair is defined as "all actions taken to keep company vehicles operating at peak efficiency with minimum costs for parts and labor and minimum out-of-service time."

Standing Expenses* (Expressed in dollar cost per car per month)

Expenses incurred in automobile operation that have little or no direct relationship to the mileage a vehicle is driven. The items in this category sometimes are referred to as "Fixed Expenses" or "Non-Variable" expenses. They often are pre-determined and do not vary during the life of the vehicle. These expenses are best expressed in a dollar cost per car per month.

1. *Investment cost.* Include total capitalized cost of vehicle; deduct charges to employees for optional equipment.
   a. For leased fleets, use monthly rental payment.
   b. For company-owned fleets, include interest on money used for purchases.
2. *Depreciation.* Include reserves established at pre-determined rate as well as adjustments after cars are disposed of. If insurance payments for work not performed are included in accident repairs, deduct from adjustments.
3. *Insurance.* Include all amounts actually paid to insurance premiums to provide coverage. Insurance is defined as "The protection purchased against claims of bodily injury or property damage (PD & PL) resulting from accidents; losses resulting from fire, theft, and vandalism. Premiums are usually based on previous experience and losses. Companies can 'self-insure' themselves against collision or medical losses by setting aside periodic reserves for each car in operation."

Incidental Expenses (Expressed in dollar cost per car per month)

Those expenses connected with automobile operation that do not occur on a regular basis, nor are they directly related to mileage or car use. The recommended procedure is to present these expenses in dollars per car per month.

1. *License & Taxes.* Include city and state licenses, Federal, state and city taxes; personal property, sales, use, and rental taxes; registration and license fees; notary public fees; title and transfer fees; inspection fees; permits, and fees for duplicate titles.
2. *Accident Repairs.* Include all labor materials, towing and other expenses resulting from an accident. Deduct payments from insurance companies or others regardless of date of accident; include payments for work not performed.
3. *Washing.* Include all company-paid expense for washing, waxing, and polishing.
4. *Parking and Tolls.* Include all highway, ferry, tunnel, and bridge tolls. Include use of outside parking lots, parking meters, garages, and garage allowances.
5. *Miscellaneous.* Include any items related to the operation of the car not covered elsewhere, such as anti-freeze, flares, seat covers, floor mats, and chains.

**Administrative expenses, if available, should be included in Standing Expense category. They would include salaries of fleet department personnel, share of corporate overhead (rent, light, heat telephone, pro-rate cost of accounting, legal, finance departments, and other services needed for fleet operation).*

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compacts, 24 percent mid-size, and 2 percent large cars. Seventy-eight percent of the cars in the group have 4-cylinder engines; 20 percent have 6-cylinder engines; and 2 percent have 8-cylinder power plants.

The fleets in this group provide well equipped cars for their operators. Ninety-nine percent are air conditioned; 97 percent have automatic transmission; and 100 percent have both power steering and power brakes.

The vehicles in the composite group were kept in service an average of 31.4 months and driven an average of 55,575 miles before being replaced.

Total operating expenses in 1983 amounted to 7.93 cents per mile, down from 8.61 in 1982. Operating expenses have declined more than one cent, and half a mile from the 1981 operating survey results, primarily because of lower fuel costs (estimated at $1.235 during 1983) compared to $1.36 in 1982. Fuel economy for the group showed a slight increase in 1983, up from 21.1 in 1982 to 21.3 miles per gallon in 1983.

Tire expenses also continued to decline among the fleets in this group, while repairs and maintenance, as well as oil, showed slight increases over the past two years.

Incidental expenses showed a slight decline of less than 50 cents per car per month in 1983, primarily because of lower expenses reported for washing and parking and tolls. License and taxes, as well as accident repairs, increased in 1983.

For the first time in recent years, standing expenses showed a slight decline in 1983. Both service charges and depreciation reserves were less than in 1982, while the depreciation adjustment also dropped during the year.

Personal-use chargebacks continued to increase, going up more than $5 a month in 1983. Combined incidental and standing expenses were $228.77 in 1983, $16 a month less than in 1982, and $2 below the 1981 figure.

Translating the total expenses into dollars gives a figure of $373.18 per month. Expressed in cents per mile, the total cost is 20.5 cents a mile, exactly what the IRS allows for the first 15,000 miles when a driver deducts automobile expenses on an income tax return.

Mid-Size Cars

Total operating expenses for mid-size cars (vehicles with a wheelbase of between 105 and 108 inches and a curb weight of between 2,600 and 3,199 pounds) amounted to 8.65 cents per mile in 1983. This is about one-half cent less than the 9.20 cents per miles reported in 1982.

The cost of fuel declined more than one cent per mile, but much of this saving was offset by a major increase in repair and maintenance costs (up to 1.69 cents per mile in 1983 compared with 1.05 in 1982).

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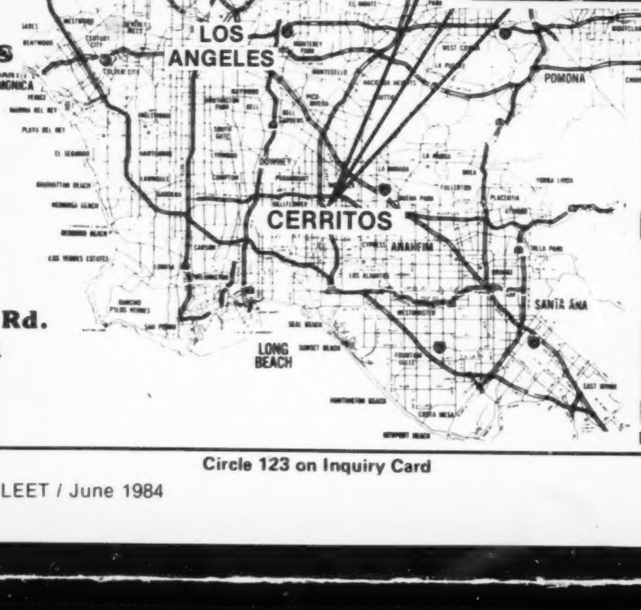

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". . . kept in service an average of 29.1 months."

The average miles per gallon consumption by mid-size cars continued to increase in 1983, reaching 20.5, compared to 18.2 in 1982 and 17.3 in 1981.

The cars in the mid-size group were kept in service an average of 26.3 months and driven 58,166 miles before being replaced.

Six percent of the cars in this group were equipped with 4-cylinder engines; 82 percent had 6-cylinder engines; and 12 percent had V8 engines.

Every car in the group was equipped with air conditioning, power brakes, and power steering. More than 99 percent also had automatic transmissions.

Compact Cars

Operating expenses for compact cars fell below 7 cents a mile for the first time in many years. They were above 9 cents a mile in 1981, and just below 8 cents a mile in 1982.

Cars in this group (a wheelbase of between 100 and 104 inches and a curb weight between 2,200 and 2,599 pounds) averaged 24.1 miles per gallon in 1983, an increase of more than two miles a gallon from the 1982 report, and a remarkable increase of almost six miles per gallon since the 1981 survey results were published.

Ninety percent of the cars in the compact group have 4-cylinder engines; the remaining 10 percent are powered by 6-cylinder engines. Every car in the group is equipped with power steering and power brakes, while 99 percent have air conditioning and automatic transmissions.

The cars in the compact group were kept in service an average of 29.1 months and driven 61,746 miles before being replaced.

Canadian fleets participating in the annual operating expense survey had far higher expenses than United States fleets. The average for the group was slightly more than 13 cents a mile. The largest portion of this, of course, was for fuel, almost 10 cents a mile. This figure is based on an average cost of 50 cents a liter, which translates to approximately $1.90 a gallon. Fleet expenses in Canada were also higher for oil, tires, and repairs and maintenance — every category of operating expenses.

Fifty-five percent of the Canadian fleet consists of compacts; 42 percent are mid-size cars, and 3 percent are large cars. One-third of the Canadian cars in the survey have 4-cylinder engines; 66 percent have 6-cylinder engines; and 1 percent have 8-cylinder engines.

Seventy-eight percent of the Canadian cars are air conditioned; 99 percent have automatic transmission; and 100 percent have both power steering and power brakes.

The Canadian cars were kept in service an average of 32 months and driven 49,491 miles before being replaced. AF

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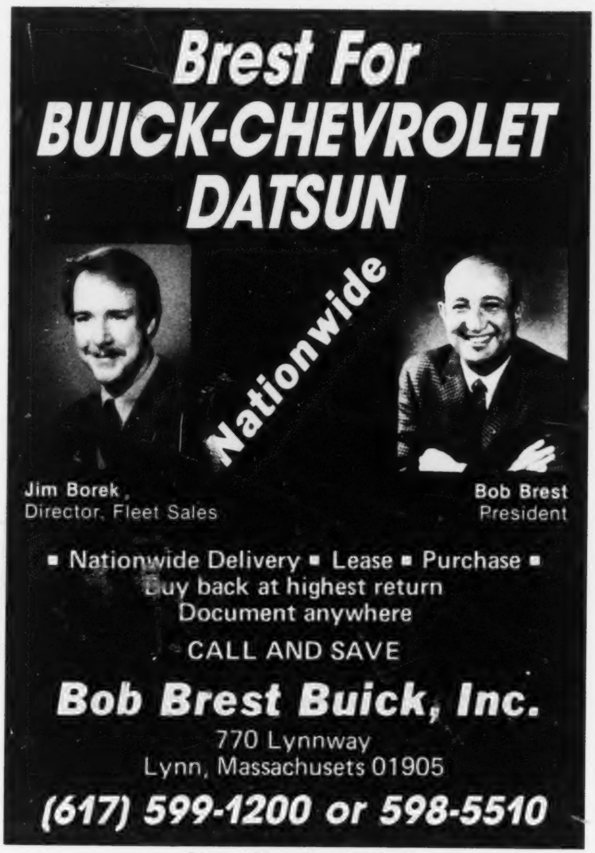
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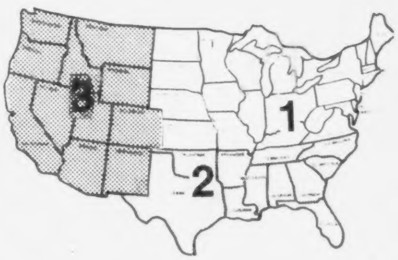

The following are average car prices for the period ending May 2, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	3945	3985	3907
Sta Wgn	4150	4192	4108
81 AMC CONCORD			
Sdn 6-4 Dr	3184	3218	3153
Sta Wgn	3353	3386	3318
82 BUICK SKYLARK			
Sdn	4365	4687	4589
81 BUICK SKYLARK			
Sdn	3789	3829	3753
82 BUICK REGAL			
Turbo Cpe	6520	6585	6455
Cpe	6317	6381	6255
81 BUICK REGAL			
Turbo Cpe	5759	5817	5702
Cpe	5561	5615	5504
82 BUICK LESABRE			
Sdn	7068	7140	6997
81 BUICK LESABRE			
Sdn	5485	5542	5430
82 CADILLAC			
Cpe DeVille	10816	10925	10710
Sdn DeVille	10751	10858	10645
81 CADILLAC			
Cpe DeVille	8208	8292	8125
Sdn DeVille	8151	8234	8071
82 CHEVY			
Chvt Htchbk 4-Dr	3302	3337	3271
Camaro Cpe8	6994	7064	6925
81 CHEVY			
Chvt Htchbk	2513	2537	2487
Camaro Cpe 8	5345	5398	5292
82 CHEVY CITATION			
Cpe 6	3747	3786	3711
81 CHEVY CITATION			
Cpe 6 Htchbk	3112	3144	3080
82 CHEVY MALIBU			
Sdn	5295	5349	5242
81 CHEVY MALIBU			
Cpe	4144	4184	4103
Sdn	4072	4112	4030
Clas Cpe	4431	4475	4388
82 CHEVY MONTE CARLO			
Cpe	5938	5999	5879
81 CHEVY MONTE CARLO			
Cpe	5274	5329	5223
82 CHEVY IMPALA			
Sdn	5927	5987	5868
Imp Wgn 9	6160	6222	6100
81 CHEVY IMPALA			
Sdn	4739	4787	4960
Cpe	4761	4806	4712
Est Wgn 9	5607	5663	5551
82 CHRYSLER			
LeBaron Sdn	5761	5818	5704
81 CHRYSLER			
Npt Sdn	5029	5077	4979
82 DODGE MISER			
4 Dr Htchbk	3365	3400	3332
81 DODGE OMNI			
4 Dr Htchbk	2795	2824	2770
82 DODGE ARIES			
Cpe	4460	4506	4414
81 DODGE ARIES			
Sdn	3797	3836	3757
82 DODGE DIPLOMAT			
Sln Sdn	6086	6147	6025
81 DODGE DIPLOMAT			
Cpe	3977	4017	3936
Sdn	3877	4017	3936
82 FORD FAIRMONT			
Futura Sdn 4 Dr	4140	4181	4098
81 FORD FAIRMONT			
Sdn 4 Dr	3214	3246	3184
82 FORD MUSTANG			
Cpe 4	4330	4376	4288
81 FORD MUSTANG			
Cpe 4	3625	3663	3589
82 FORD GRANADA			
Sdn 8-L	4807	4859	4757
81 FORD GRANADA			
Sdn 8-L	3881	3920	3845
82 FORD LTD			
Sdn	6277	6338	6213
81 FORD LTD			
Sdn	5020	5068	4969
81 FORD ESCORT			
Sdn 4 Dr	2850	2879	2823
82 FORD CROWN VIC			
Sdn	7066	7138	6994
81 FORD CROWN VIC			
Sdn	5687	5742	5630
82 FORD THUNDERBIRD			
Cpe	6050	6110	5988
81 FORD THUNDERBIRD			
Cpe	5249	5297	5195
82 LINCOLN CONTINENTAL			
Sdn	12291	12413	12170
Mark VI Sdn	12483	12608	12359
81 LINCOLN CONTINENTAL			
Sdn Town Series	8648	8735	8562
Mark VI Sdn	10521	10626	10415
82 MERCURY COUGAR			
GS Cpe	4847	4894	4799
Sdn	4847	4894	4799
81 MERCURY COUGAR			
Cpe	3916	3957	3877
Sdn	3916	3957	3877
81 MERCURY ZEPHYR			
Sdn 2 Dr	3243	3277	3211
82 MERCURY LYNX			
HthBk 3-Dr	3462	3499	3431
82 MERCURY MARQUIS			
Sdn	6657	6723	6591
81 MERCURY MARQUIS			
Sdn	5335	5388	5282
Wgn-2	5450	5507	5396
82 OLDS CIERA			
Cpe	5835	5895	5777
Sdn	5916	5976	5858
82 OLDS CUTLASS SUPREME			
Cpe	6368	6432	6305
Sdn	6123	6186	6063
81 OLDS CUTLASS			
Sdn	5186	5238	5133
Sup Cpe	5561	5615	5504
82 OLDS DELTA			
Sdn	7155	7225	7082
Cpe Royale	7178	7247	7106
81 PLYMOUTH HORIZON MISER			
2 Dr Htchbk	2917	2946	2885
82 PLYMOUTH RELIANT			
Cpe	4445	4492	4405
81 PLYMOUTH RELIANT			
Cpe	3783	3819	3746
81 PONTIAC FIREBIRD			
Cpe 8	7044	7114	6974
81 PONTIAC LEMANS			
Cpe 8	4339	4383	4295
82 PONTIAC PHOENIX			
Cpe	4447	4492	4404
Htchbk Sdn	4447	4492	4404
81 PONTIAC PHOENIX			
Cpe 6	3504	3598	3524
81 PONTIAC CATALINA			
Sdn	4491	5038	4940
Bonneville Sdn	5507	5563	5453
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	3952	3992	3912
81 VOLKSWAGEN RABBIT			
2-Dr Htchbk	3195	3227	3163
82 DATSUN			
210 2 Dr Std Sdn	3372	3406	3340
Sentra 2 Dr Std Sdn	3737	3774	3699
Stanza Hbk 4 Dr DLX	4877	4926	4829
81 DATSUN			
210 Std 2 Dr	2803	2831	2775
510 2 Dr Sdn	3573	3609	3538
810 DL 4 Dr	5494	5549	5439
82 TOYOTA			
Corolla Sedan 2 Dr	4380	4424	4336
Celica St Cpe	5628	5684	5572
Corona Sdn Lux	5778	5836	5720
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3504	3540	3469
Celica St Spt Cpe	4339	4382	4296
Corona Sdn 4 Dr DLK	3960	3999	3921

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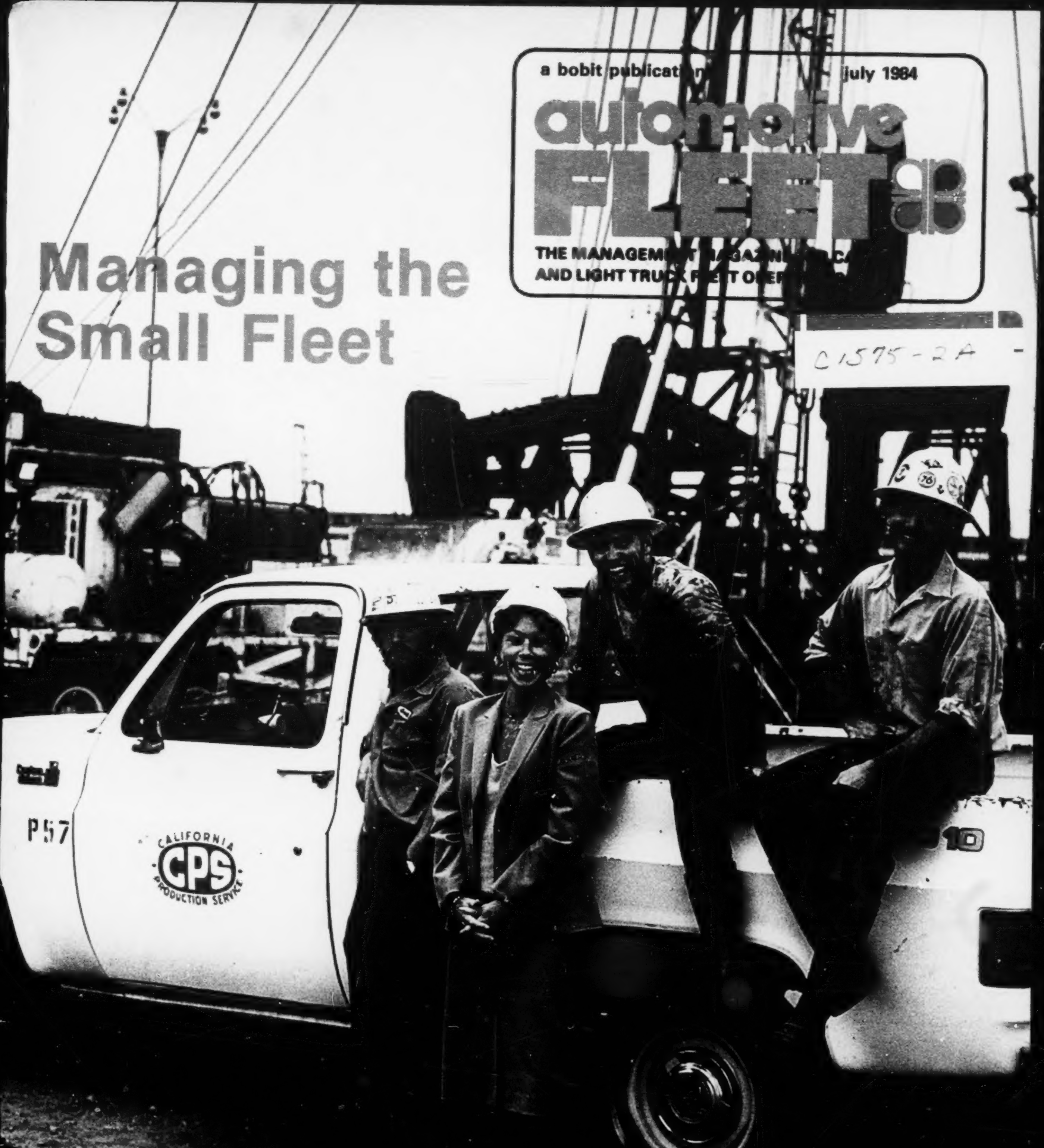
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On our cover: Claudia Finn of California Production Service represents a new crop of execs challenged by managing the small fleet. Photo by Tom Bezzi.

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(616) 347-2295

Calendar

JULY

9-11 — *Leasing Digest* Summer School, Barbizon Plaza Hotel, New York.

11-12 — NAFA Advanced Fleet Management Program, Chicago, IL.

16-20 — Management Workshop for Fleet Managers, Warton School, Philadelphia.

AUGUST

3-5 — Automotive Parts and Accessories Association Show, Las Vegas Convention Center, Las Vegas, NV.

5-8 — NAFA Law Enforcement Seminar, Memphis, TN.

22-24 — Rocky Mountain Fleet Managers Association Seventh Annual Fleet Seminar and Equipment Show, Park City, UT.

SEPTEMBER

13-16 — Automotive Fleet and Leasing Association Fall Meeting, Tan-Tar-A, Osage Beach, MO.

23-26 — American Assn. of Equipment Lessors Twenty-third Annual convention, Boca Raton Hotel, Boca Raton, FL.

Gas Prices

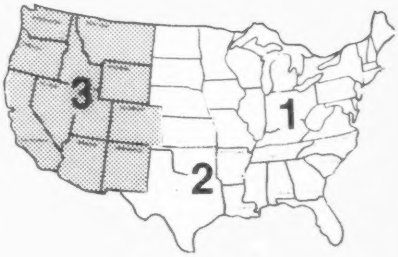
UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Birmingham, AL	152.9	120.4
San Luis Obisbo, CA	155.4	134.9
Colorado Springs, CO	144.4	116.4
Chicago, IL	145.6	124.5
Minneapolis, MN	154.2	124.1
Greensboro, NC	135.4	114.9
Grand Forks, ND	150.9	128.7
Camden, NJ	107.4	107.4
Santa Fe, NM	148.9	135.4
Columbus, OH	138.2	115.9
York, PA	137.9	121.9
Charleston, SC	147.5	120.5
Austin, TX	129.4	109.9
Richmond, VA	146.6	118.2
Milwaukee, WI	141.8	122.6

Survey conducted during the first five working days of June, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Used Cars

The following are average car prices for the period ending May 30, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE			
Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4	3905	3945	3868
Sta Wgn	4108	4150	4067
81 AMC CONCORD			
Sdn 6-4 Dr	3168	3202	3137
Sta Wgn	3336	3369	3301
82 BUICK SKYLARK			
Sdn	4626	4672	4580
81 BUICK SKYLARK			
Sdn	3788	3829	3753
82 BUICK REGAL			
Turbo Cpe	6500	6565	6436
Cpe	6298	6362	6236
81 BUICK REGAL			
Turbo Cpe	5771	5829	5713
Cpe	5572	5626	5514
82 BUICK LESABRE			
Sdn	7012	7083	6941
81 BUICK LESABRE			
Sdn	5453	5508	5398
82 CADILLAC			
Cpe DeVille	10665	10773	10561
Sdn DeVille	10601	10707	10496
81 CADILLAC			
Cpe DeVille	8100	8182	8016
Sdn DeVille	8044	8127	7965
82 CHEVY			
Chvt Htchbk 4-Dr	2956	2985	2925
Camaro Cpe8	6910	6980	6843
81 CHEVY			
Chvt Htchbk	2500	2524	2475
Camaro Cpe 8	5308	5360	5255
82 CHEVY CITATION			
Cpe 6	3721	3759	3685
81 CHEVY CITATION			
Cpe 6 Htchbk	3081	3113	3049
82 CHEVY MALIBU			
Sdn	5295	5349	5242
81 CHEVY MALIBU			
Cpe	4144	4184	4102
Sdn	4072	4111	4030
Clas Cpe	4431	4475	4388
82 CHEVY MONTE CARLO			
Cpe	5950	6011	5890
81 CHEVY MONTE CARLO			
Cpe	5295	5350	5243
82 CHEVY IMPALA			
Sdn	5915	5975	5856
Imp Wgn 9	6148	6209	6087
81 CHEVY IMPALA			
Sdn	4739	4787	4960
Cpe	4761	4806	4711
Wgn 9	4936	4985	4886
82 CHRYSLER			
LeBaron Sdn	5692	5748	5636
81 CHRYSLER			
Npt Sdn	5004	5052	4954
81 DODGE OMNI			
4 Dr Htchbk	2795	2824	2770
82 DODGE ARIES			
Cpe	4407	4452	4361
81 DODGE ARIES			
Sdn	3733	3771	3693
82 DODGE DIPLOMAT			
Sln Cpe	4835	4881	4788
81 DODGE DIPLOMAT			
Cpe	4111	4153	4069
Sdn	4111	4153	4069
82 FORD FAIRMONT			
Futura Sdn 4 Dr	3991	4032	3950
81 FORD FAIRMONT			
Sdn 4 Dr	3198	3230	3168
82 FORD MUSTANG			
Cpe 4	4330	4376	4288
81 FORD MUSTANG			
Cpe 4	3607	3645	3571
82 FORD GRANADA			
Sdn 8-L	4759	4808	4710
81 FORD GRANADA			
Sdn 8-L	3873	3912	3837
82 FORD LTD			
Sdn	6277	6338	6213
81 FORD LTD			
Sdn	5030	5078	4979
81 FORD ESCORT			
Sdn 4 Dr	2807	2836	2781
82 FORD CROWN VIC			
Sdn	7066	7138	6994
81 FORD CROWN VIC			
Sdn	5699	5753	5641
82 FORD THUNDERBIRD			
Cpe	6038	6097	5976
81 FORD THUNDERBIRD			
Cpe	5276	5323	5221
82 LINCOLN CONTINENTAL			
Sdn	12230	12351	12109
Mark VI Cpe	12421	12545	12297
81 LINCOLN CONTINENTAL			
Sdn Town Series	8536	8622	8541
Mark VI Sdn	10437	10541	10332
82 MERCURY COUGAR			
GS Cpe	4799	4845	4751
Sdn	4799	4845	4751
81 MERCURY COUGAR			
Cpe	3908	3949	3869
Sdn	3908	3949	3869
81 MERCURY ZEPHYR			
Sdn 2 Dr	3227	3261	3195
82 MERCURY LYNX			
HthBk 3-Dr	3421	3458	3390
82 MERCURY MARQUIS			
Sdn	6644	6709	6578
81 MERCURY MARQUIS			
Sdn	5335	5388	5282
Wgn-2	5450	5506	5396
82 OLDS CIERA			
Cpe	5777	5837	5719
Sdn	5857	5916	5800
82 OLDS CUTLASS SUPREME			
Cpe	6368	6432	6305
Sdn	6123	6186	6063
81 OLDS CUTLASS			
Sdn	5196	5248	5144
Sup Cpe	5572	5626	5514
82 OLDS DELTA 8			
Sdn	6792	6859	6722
81 PLYMOUTH HORIZON			
4 Dr Htchbk	2802	2831	2777
82 PLYMOUTH RELIANT			
Cpe	4392	4439	4352
81 PLYMOUTH RELIANT			
Cpe	3719	3755	3683
81 PONTIAC FIREBIRD			
Cpe 8	5360	5416	5307
81 PONTIAC LEMANS			
Cpe 8	4339	4383	4295
82 PONTIAC PHOENIX			
Cpe	4385	4430	4342
Htchbk Sdn	4385	4430	4342
81 PONTIAC PHOENIX			
Cpe 6	3503	3537	3465
81 PONTIAC CATALINA			
Sdn	4991	5039	4940
Bonneville Sdn	5506	5563	5433
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	3873	3912	3834
81 VOLKSWAGEN RABBIT			
2-Dr Htchbk	3131	3162	3100
82 DATSUN			
210 2 Dr Std Sdn	3322	3355	3290
Sentra 2 Dr Std Sdn	3681	3717	3644
Stanza Hbk 4 Dr Dlx	4714	4761	4667
81 DATSUN			
210 Std 2 Dr	2761	2789	2733
510 2 Dr Sdn	3519	3555	3485
810 DL 4 Dr	5412	5466	5357
82 TOYOTA			
Corolla Sedan 2 Dr	4292	4336	4249
Celica St Cpe	5572	5627	5516
Corona Sdn Lux	5662	5719	5606
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3434	3469	3400
Celica St Spt Cpe	4252	4294	4210
Corona Sdn 4 Dr DLK	3881	3919	3843

a bobit publication august 1984

automotive FLEET

Chrysler's H-Cars

'85 Model Specs

Lessors' '85 Recommendations

AUGUST 1984 VOL. 23, NO. 10

automotive FLEET®

THE MANAGEMENT MAGAZINE FOR CAR
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Influencing over 3.4 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

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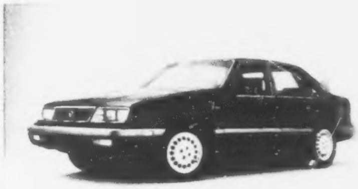

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On our cover: Chrysler execs Ben Bidwell and Hal Barton pose beside their '85 aero-styled H-body hatchbacks.

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READER UPDATE

Calendar

AUGUST

5-8 — NAFA Law Enforcement Seminar, Memphis, TN.

22-24 — Rocky Mountain Fleet Managers Association Seventh Annual Fleet Seminar and Equipment Show, Park City, UT.

26-29 — Automotive World Congress & Exhibit, Renaissance Center & Cobo Hall, Detroit, MI.

SEPTEMBER

13-16 — Automotive Fleet and Leasing Association Fall Meeting, Tan-Tar-A, Osage Beach, MO.

23-26 — American Assn. of Equipment Lessors Twenty-Third Annual Convention, Boca Raton Hotel, Boca Raton, FL.

24-25 — American Automotive Leasing Assn. Fall Meeting, Drake Hotel, Chicago, IL.

OCTOBER

1-3 — Truck Body & Equipment Assn. Meeting and Exhibit, Las Vegas, NV.

4-6 — Alliance of State CATRALAs, Harrah's Hotel, Lake Tahoe, CA.

10-14 — International Taxicab Assn., Annual Meeting & Exhibit, Westin Hotel, Chicago, IL.

17-21 — National Auto Auction Assn. Annual Meeting, Gatlinburg, TN.

20-25 — International Assn. of Chiefs of Police, Salt Lake City, UT.

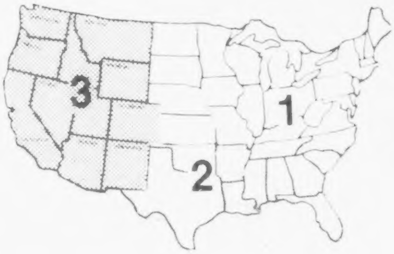
Gas Prices

UNLEADED

	Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Juneau, AK	158.0	144.4
Flagstaff, AZ	151.4	135.4
Santa Barbara, CA	157.9	123.4
Stamford, CT	130.7	120.1
Pensacola, FL	136.9	110.9
Honolulu, HI	160.5	139.7
Joliet, IL	154.4	122.4
Baton Rouge, LA	150.4	117.9
Flint, MI	156.9	121.9
Joplin, MO	125.4	110.9
Fargo, ND	154.2	124.2
Cincinnati, OH	141.3	117.5
Philadelphia, PA	134.0	111.5
San Antonio, TX	123.4	107.9
Roanoke, VA	142.9	119.4

Survey conducted during the first five working days of July, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Used Cars



The following are average car prices for the period ending July 4, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone3**
82 AMC CONCORD			
Sta Wgn	4043	4085	4003
81 AMC CONCORD			
Sdn 6-4 Dr	3105	3138	3074
Sta Wgn	3269	3302	3235
82 BUICK SKYLARK			
Sdn	4557	4602	4511
81 BUICK SKYLARK			
Sdn	3731	3772	3696
82 BUICK REGAL			
Turbo Cpe	6448	6512	6186
Cpe	6248	6311	6186
81 BUICK REGAL			
Turbo Cpe	5708	5766	5651
Cpe	5510	5564	5454
82 BUICK LESABRE			
Sdn	6880	6950	6810
81 BUICK LESABRE			
Sdn	5345	5398	5291
82 CADILLAC			
Cpe DeVille	10433	10538	10330
Sdn DeVille	10369	10472	10267
81 CADILLAC			
Cpe DeVille	7907	7988	7827
Sdn DeVille	7853	7933	7775
82 CHEVY			
Chvt Htchbk 4-Dr	3204	3238	3175
Camaro Cpe8	8572	8655	8484
81 CHEVY			
Chvt Htchbk	2458	2481	2434
Camaro Cpe 8	6684	6749	6617
82 CHEVY CITATION			
Cpe 6	3621	3658	3586
82 CHEVY MALIBU			
Sdn	5268	5322	5216
81 CHEVY MALIBU			
Cpe	4124	4163	4082
Sdn	4052	4091	4010
Clas Cpe	4409	4453	4366
82 CHEVY MONTE CARLO			
Cpe	5938	5999	5878
81 CHEVY MONTE CARLO			
Cpe	5284	5339	5233
82 CHEVY IMPALA			
Sdn	5809	5868	5751
Imp Wgn 9	6038	6097	5979
81 CHEVY IMPALA			
Sdn	4669	4715	4620
Cpe	4691	4734	4641
Wgn 9	4862	4910	4812
82 CHRYSLER			
LeBaron Sdn	5607	5663	5552
81 CHRYSLER			
Npt Sdn	4939	4987	4889
82 DODGE OMNI			
4 Dr Htchbk	3298	3332	3265
81 DODGE OMNI			
4 Dr Htchbk	2767	2796	2742
82 DODGE ARIES			
Cpe	4328	4373	4283
81 DODGE ARIES			
Sdn	3651	3689	3613
82 DODGE DIPLOMAT			
Sln Cpe	4763	4809	4716
81 DODGE DIPLOMAT			
Sln Cpe	4050	4090	4009
Sdn	4050	4090	4009
82 FORD FAIRMONT			
Futura Sdn 4 Dr	3970	4008	3929
81 FORD FAIRMONT			
Sdn 4 Dr	3128	3160	3098
82 FORD MUSTANG			
Cpe 4	4388	4433	4344
81 FORD MUSTANG			
Cpe 4	3589	3627	3553
82 FORD GRANADA			
Sdn 8-L	4646	4693	4598
81 FORD GRANADA			
Sdn 8-L	3789	3827	3753
82 FORD LTD			
Sdn	6184	6243	6120
81 FORD LTD			
Sdn	4965	5013	4914
81 FORD ESCORT			
Sdn 4 Dr	2731	2760	2707
82 FORD CROWN VIC			
Sdn	6961	7031	6889
81 FORD CROWN VIC			
Sdn	5626	5678	5568
82 FORD THUNDERBIRD			
Cpe	6020	6079	5958
81 FORD THUNDERBIRD			
Cpe	5234	5280	5179
82 LINCOLN CONTINENTAL			
Sdn	12072	12191	11952
Mark VI Cpe	12384	12507	12260
81 LINCOLN CONTINENTAL			
Sdn Town Series	8375	8459	8292
Mark VI Cpe	10333	10436	10229
82 MERCURY COUGAR			
GS Cpe	4684	4730	4638
Sdn	4684	4730	4638
81 MERCURY COUGAR			
Cpe	3823	3863	3785
Sdn	3823	3863	3785
81 MERCURY ZEPHYR			
Sdn 2 Dr	3157	3190	3125
82 MERCURY LYNX			
HthBk 3-Dr	3346	3383	3316
82 MERCURY MARQUIS			
Sdn	6532	6595	6467
81 MERCURY MARQUIS			
Sdn	5244	5297	5193
Wgn-2	5358	5413	5305
82 OLDS CIERA			
Cpe	5731	5790	5673
Sdn	5810	5869	5754
81 OLDS CUTLASS			
Sdn	5139	5190	5088
Sup Cpe	5510	5564	5454
82 OLDS DELTA 8			
Sdn	6664	6730	6595
81 PLYMOUTH HORIZON			
4 Dr Htchbk	2774	2803	2749
82 PLYMOUTH RELIANT			
Cpe	4313	4360	4274
81 PLYMOUTH RELIANT			
Cpe	3638	3673	3603
81 PONTIAC FIREBIRD			
Cpe 8	5322	5378	5269
81 PONTIAC LEMANS			
Cpe 8	4317	4361	4273
82 PONTIAC PHOENIX			
Cpe	4268	4311	4226
Htchbk Sdn	4268	4311	4226
81 PONTIAC PHOENIX			
Cpe 6	3427	3460	3389
81 PONTIAC CATALINA			
Sdn	4916	4964	4866
Bonneville Sdn	5423	5480	5372
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	3873	3912	3834
81 VOLKSWAGEN RABBIT			
2-Dr Htchbk	3131	3162	3100
82 DATSUN			
210 2 Dr Std Sdn	3322	3355	3290
Sentra 2 Dr Std Sdn	3681	3717	3644
Stanza Hbk 4 Dr Dlx	4714	4761	4667
81 DATSUN			
210 Std 2 Dr	2761	2789	2733
510 2 Dr Sdn	3519	3555	3485
810 DL 4 Dr	5412	5466	5357
82 TOYOTA			
Corolla Sedan 2 Dr	4292	4336	4249
Celica St Cpe	5572	5627	5516
Corona Sdn Lux	5662	5719	5606
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3434	3469	3400
Celica St Spt Cpe	4252	4294	4210
Corona Sdn 4 Dr DLK	3881	3919	3843

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automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

GM
Buick
Admin
BUICK

Buick's N-Car

Detroit's Future Products

Minivan Comparison

SEPTEMBER 1984 VOL. 23, NO. 11

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AND LIGHT TRUCK FLEET OPERATORS

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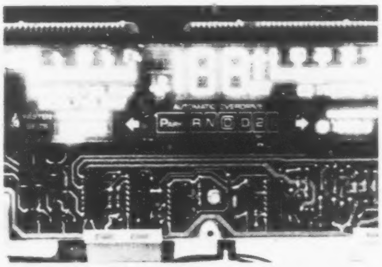

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Editorial 120

On our cover: Buick exec Jim Christiano, director of fleet sales, proudly debuts the new Somerset Regal, his division's '85 N-Body.

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READER UPDATE

Calendar

SEPTEMBER

13 — Residual-Value Insurance Conference, *Leasing Digest*, The Dorchester, London, England.

13-14 — Leasing Techniques and Analysis Seminar, American Management Association, Boston Marriott Burlington, Boston, MA.

13-16 — Automotive Fleet and Leasing Association Fall Meeting, Tan-Tar-A, Osage Beach, MO.

18 — Future Markets for Computer Leasing Conference, *Leasing Digest*, Plaza Hotel, New York, NY.

23-26 — American Assn. of Equipment Lessors Twenty-Third Annual Convention, Boca Raton Hotel, Boca Raton, FL.

24-25 — American Automotive Leasing Assn. Fall Meeting, Drake Hotel, Chicago, IL.

OCTOBER

1-3 — Truck Body & Equipment Assn. Meeting and Exhibit, Las Vegas, NV.

4-6 — Alliance of State CATRLAs, Harrah's Hotel, Lake Tahoe, CA.

10-14 — International Taxicab Assn., Annual Meeting & Exhibit, Westin Hotel, Chicago, IL.

17-21 — National Auto Auction Assn. Annual Meeting, Gatlinburg, TN.

20-25 — International Assn. of Chiefs of Police, Salt Lake City, UT.

25-26 — Vehicle Maintenance Management Seminar, New Jersey Institute of Technology, Travel Lodge, Mt. Laurel, NJ.

Gas Prices

UNLEADED

	Cost Per Gallon	
City	**Full-Serve**	**Self-Serve**
Birmingham, AL	152.9	115.9
Flagstaff, AZ	155.4	131.4
Redding, CA	150.5	131.9
Terre Haute, IN	152.4	121.9
Traverse City, MI	154.8	130.9
Springfield, MO	124.4	105.9
Camden, NJ	107.9	107.9
Rochester, NY	124.6	117.9
Tulsa, OK	134.6	109.6
Philadelphia, PA	133.2	108.2
Columbia, TN	126.9	112.4
McAllen, TX	127.5	115.5
Milwaukee, WI	139.1	117.0
Charleston, WV	145.4	122.4
Cheyenne, WY	129.4	121.4

Survey conducted during the first five working days of August, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

Used-Car Prices, Mileage, and Age All Rise in '83

The nation's used cars sold in '83 averaged 4.8 years old, had run 49,969 miles, and cost $4,902, according to the annual poll of second-hand auto buyers released in June by the Hertz Corp.

The figures compare with an average of 4.25 years, 43,711 miles, and a $4,773 purchase price for the typical used unit sold in '82 — and with 2.86 years, 29,090 miles, and $3,602 in '79.

But used cars last year still outsold new models about 2:1, as they have for decades, according to the lease-rental company's latest yearly report: 17.4 million used vs. 8.9 million new. Some 60 percent of families said they bought their primary auto used rather than new.

Cost is the main reason for used car popularity, according to poll findings. Used-car purchase prices on comparable models average almost 60 percent under '83 new-car sticker prices, and typical second-hand ownership and operating expenses were 38 percent less than similar new units under comparable driving.

Depending on a vehicle's age and mileage, typical '83 purchase prices of a prior-owned auto ranged from 21 percent less expensive for a year-old compact, to 82 percent cheaper for a 6-year-old, compared to a new model. Savings on owning and running them ran from 18 percent to 49 percent.

"Some 75 percent of those in the newest Hertz nationwide sample poll said they bought a used car because it was less expensive than a new one," the study reported. Average family income of used car buyers was $31,079 — 30 percent under the $44,729 reported by '83 new-car families. However, used car families owned as many, or more, autos as families buying new ones; 2.3 units each.

Below are other characteristics of used car buyers, and some contrasts with those who regularly buy new autos, plus data about the used cars they buy, according to the '79-'83 Hertz polls.

Used Car Versus New Car Figures

In just four years since '79, average used car age at purchase time rose 68 percent, or 1.94 years; mileage soared 72 percent, or 20,949 miles; average purchase price was also up 36 percent, or $1,300; and ownership and operating costs climbed 35 percent — to a typical 23.5 cents a mile from 17.4 cents, for 5-year-old units driven five more years, also at 10,000 miles a year.

By contrast, purchase prices of typical new compact cars soared 65 percent, to $8,358 in '83, up from $5,079 four years before; and their ownership and operating costs jumped 52 percent — to 43.28 cents

“Typical passenger cars have 2.8 owners during their lifetime.”

1983 Hertz Used Car Study

Comparative Purchase Prices & Operating Expenses
New vs. Used Cars
(For Compact Models Driven 10,000 Miles a Year — @ 1983 Prices)

Age of Car When Purchased (In Years)	Purchase Price of Car (In Dollars)	Pct. Saved	Cents Per Mile Ownership & Operating Costs			
			Car Kept 4 Years (In Cents)	Pct. Saved (In Cents)	Car Kept Until Junked*	Pct.** Saved
New	8,358	—	44.70	—	33.29	—
One	6,629	21	36.78	18	26.82	22
Two	4,807	42	31.46	30	25.06	30
Three	3,452	59	27.74	38	23.21	38
Four	2,508	70	25.41	43	22.70	43
Five	1,849	78	23.61	47	23.48	46
Six	1,486	82	22.63	49	22.63	49
USED AVERAGE	3,454	59	27.94	35	23.98	39

NOTES: 10-year, 100,000-mile car life assumed; year-old car assumed to be driven 9 more years, two-year-old, 8, etc.*

***Thus, percentage saved if car driven until junked reflects driving the used car the same number of years (until scrapped) is compared with cost of driving a new car 9 years, too, not 10.*

For most used cars (as well as new ones), per-mile expenses also normally decline the longer the car is kept. However, assuming a typical 10,000 MPY travel, it is un-economic to keep a used car only one year. Buyers should also consider a car's mileage as well as age. For example, a 3-year-old auto with 60,000 miles on it rather than 30,000 prior miles.

Cost are estimated at 1983 prices in 1983 in 1983 dollars, assuming no inflation. Inflation would reduce apparent depreciation (until another car is bought later at a higher price) but would increase other cost categories.

Averages in this table do not correspond with those in some others because these figures are based on a specific size and type of vehicle, not on a average or composite from the Hertz polls.

a mile, from 28.55 cents in '79.

Typical passenger cars have 2.8 owners during their lifetime, with the average new car sold after five years of use and 69,990 miles on the odometer; vs. 4.8 years and 49,969 miles for used units purchased, because some new cars are never traded, and the average age of all cars on the road is 7.2 years.

Cars that are traded first change hands now at 4.8 years old after 49,969 miles of travel; then are run another 3.9 years until they are 8.7 years old, and have been driven another 46,367 miles, or a total of 96,336 miles.

Barring severe accidents or unrecovered thefts, 40 to 45 percent of cars are still on the road after 10 years of operation, but by year 15, only about 5 percent remain in service.

Some 35 percent of used car buyers in '83 had never bought a new car before, up from 31 percent in '82, and from 23 percent in '79.

A steady 14 to 15 percent of used car purchasers from '79 to '83 report they have never previously purchased a used car.

Buying By Women Again Rises

Besides having lower incomes than new car buyers, second-hand purchasers are younger (38.1 years vs. 45) and more are men — 72 percent vs. 69 percent. However, more women are buying used cars today (28 percent) than did so in '79 (16 percent), according to the polls.

About one-half (51 percent) of used car buyers financed their purchases in '83, down from 60 percent who did in '79; and compared with 71 percent of new car buyers who now take out loans to pay for their wheels.

Of those who do finance their auto purchases (new and used), a consistent two-thirds of the cost is financed — both in the '79 poll and today.

Some 80 percent of those buying used cars in '83 reported they were satisfied with them, up from 76 percent four years ago, and compared with 84 to 87 percent of new car buyers said to be happy with their purchases, the new study found.

Almost 98 percent of used car buyers wanted to lower their driving costs even further, and in multi-

"Average '83 new-car purchase price was $9,179."

ple replies, 70 percent said they had cut options; 54 percent would keep cars longer; 33 percent would buy a smaller model; and 11 percent said they would drive even less.

Options used car buyers would eliminate to reduce costs include vinyl roofs (83 percent), power windows (80 percent), appearance trim (52 percent), air conditioning (35 percent), and automatic transmission (28 percent).

About 28 percent of used car buyers reported they traded another auto to buy their current model (down from 34 percent in '79), compared with almost three-quarters of new car buyers who traded an old unit for their new one.

At Least 20 Percent of "Real Women Do Pump Gas"

A new poll question found 79 percent of used car buyers bought fuel at self-service rather than full-service stations, including 70 percent of the women. With 28 percent of women now buying used cars, the poll shows (in contradiction to the recent book title, *Real Women Don't Pump Gas*) that almost 20 percent of them actually do serve themselves at fuel islands.

The company projects some 17.391 million second-hand units were retailed last year, reversing a two-year down sales-trend. The figure was up from 16.643 million in '82, but fell short of the record 18.664 million retailed in '80.

The '83 used car sales compare with 8.924 million new cars retailed. Total U.S. used car outlays aggregated $85.3 billion, up 7.4 percent from $79.4 billion in '82. The figures boosted combined new and used car sales last year 7.9 percent, to 26.32 million vehicles costing $167.2 billion, against 24.39 million units selling for $148.2 billion in '82. This totaled a 12.8 percent spending advance.

Used Car Running Costs Stay Steady — Save 38 Percent

Typical ownership and operating costs for used autos bought last year remained virtually level — at 23.61 cents a mile, up fractionally from 23.56 cents in '82 for a typical 5-year-old compact driven four years at 10,000 miles annually. Costs of younger units dropped slightly.

"Again last year, used car buyers continued averaged savings of almost 60 percent under '83 new car sticker prices, and about 38 percent under new car ownership and operating expenses in comparable driving," the study reported.

Average '83 new car purchase price was estimated at $9,179 against $8,886 in '82. New car ownership and operating expenses for a typical compact-sized model driven 10,000 miles annually for five years was 43.28 cents a mile, against 44.67 in '82. AF

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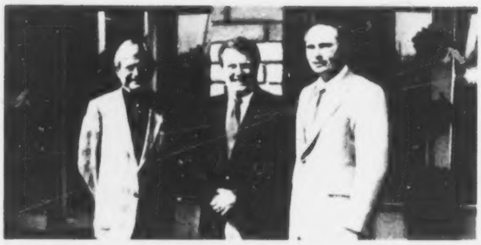

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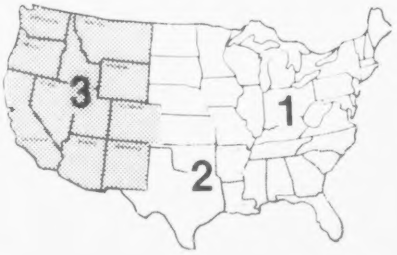
Used Cars



The following are average car prices for the period ending August 1, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4 Dr	3823	3863	3787
Sta Wgn 30	4023	4065	3983
81 AMC CONCORD			
Sdn 6-4 Dr	3074	3106	3044
Sta Wgn	3237	3269	3203
82 BUICK SKYLARK			
Sdn	4511	4556	4466
81 BUICK SKYLARK			
Sdn	3693	3734	3660
82 BUICK REGAL			
Turbo Cpe	6403	6467	6340
Cpe	6205	6267	6143
81 BUICK REGAL			
Turbo Cpe	5697	5754	5640
Cpe	5499	5553	5443
82 BUICK LESABRE			
Sdn	6812	6880	6742
81 BUICK LESABRE			
Sdn	5281	5333	5228
82 CADILLAC			
Cpe DeVille	10350	10454	10247
Sdn DeVille	10286	10389	10185
81 CADILLAC			
Cpe DeVille	7813	7892	7733
Sdn DeVille	7759	7838	7682
82 CHEVY			
Chvt Htchbk 2-Dr	3070	3101	3039
Chvt Htchbk 4-Dr	3140	3174	3112
Camaro Cpe 8	6744	6814	6680
81 CHEVY			
Chvt Htchbk 2-Dr	2409	2431	2386
Chvt Htchbk 4-Dr	2461	2485	2436
Camaro Cpe 8	5270	5322	5218
82 CHEVY CITATION			
Cpe 6	3567	3603	3532
81 CHEVY CITATION			
Cpe 6	2969	3000	2938
82 CHEVY MALIBU			
Clas Sdn	5257	5311	5206
Clas Sta Wgn	5486	5545	5433
Clas Est Wgn	5632	5687	5575
81 CHEVY MALIBU			
Cpe	4124	4163	4082
Sdn	4052	4091	4010
Clas Cpe	4409	4453	4366
82 CHEVY MONTE CARLO			
Cpe	5908	5969	5849
81 CHEVY MONTE CARLO			
Cpe	5258	5312	5207
82 CHEVY IMPALA			
Sdn	5740	5798	5682
Imp Wgn 9	5966	6025	5907
81 CHEVY IMPALA			
Sdn	4613	4658	4565
Cpe	4635	4677	4586
Wgn 9	4804	4851	4754
82 CHRYSLER			
LeBaron Sdn	5562	5618	5507
81 CHRYSLER			
Npt Sdn	4880	4927	4831
82 DODGE OMNI			
4 Dr Custom Htchbk	3551	3585	3515
81 DODGE OMNI			
4 Dr Custom Htchbk	2775	2802	2748
82 DODGE ARIES			
Cpe	4264	4307	4219
81 DODGE ARIES			
Sdn	3596	3634	3559
82 DODGE DIPLOMAT			
Sln Sdn	4739	4785	4692
81 DODGE DIPLOMAT			
Sln Cpe	4030	4070	3989
Sln Sdn	4030	4070	3989
82 FORD FAIRMONT			
Futura Sdn 4 Dr	3910	3948	3871
81 FORD FAIRMONT			
Sdn 4 Dr	3082	3112	3052
82 FORD MUSTANG			
Cpe 4	4265	4310	4225
81 FORD MUSTANG			
Cpe 4	3589	3627	3553
82 FORD GRANADA			
Sdn 8-L	4590	4637	4543
81 FORD GRANADA			
Sdn 8-L	3743	3781	3708
82 FORD LTD			
Sdn	6110	6168	6047
81 FORD LTD			
Sdn	4905	4953	4855
81 FORD ESCORT			
Sdn 4 Dr	2690	2719	2666
82 FORD CROWN VIC			
Sdn	6877	6947	6807
81 FORD CROWN VIC			
Sdn	5559	5610	5501
82 FORD THUNDERBIRD			
Cpe	5990	6049	5928
81 FORD THUNDERBIRD			
Cpe	5208	5254	5153
82 LINCOLN CONTINENTAL			
Sdn	12036	12154	11916
Mark VI Cpe	12297	12420	12174
81 LINCOLN CONTINENTAL			
Sdn Designer	11442	11557	11328
Mark VI Cpe	10302	10405	10198
82 MERCURY COUGAR			
GS Cpe	4628	4674	4583
Sdn	4628	4674	4583
81 MERCURY COUGAR			
Cpe	3777	3817	3740
Sdn	3777	3817	3740
81 MERCURY ZEPHYR			
Sdn 2 Dr	3109	3142	3079
82 MERCURY LYNX			
HthBk 3-Dr	3296	3332	3266
82 MERCURY MARQUIS			
Sdn	6447	6510	6384
81 MERCURY MARQUIS			
Cpe Brougham	5860	5923	5803
Sdn	5181	5234	5131
Wgn-2	5294	5348	5241
82 OLDS CIERA			
Cpe	5691	5749	5634
Sdn	5769	5828	5713
82 OLDS CUTLASS SUPREME			
Cpe	6272	6336	6211
Sdn	6032	6093	5973
81 OLDS CUTLASS			
Sdn	5129	5180	5078
Sup Cpe	5499	5553	5443
82 OLDS 88			
Sdn Royale	6895	6961	6825
Cpe Royale	6916	6983	6847
81 PLYMOUTH HORIZON			
4 Dr Htchbk	2727	2756	2703
82 PLYMOUTH RELIANT			
Cpe	4249	4294	4210
81 PLYMOUTH RELIANT			
Cpe	3584	3618	3549
81 PONTIAC FIREBIRD			
Cpe 8	5322	5378	5269
81 PONTIAC LEMANS			
Cpe 8	4317	4361	4273
82 PONTIAC PHOENIX			
Cpe	4204	4247	4163
Htchbk Sdn	4204	4247	4163
81 PONTIAC PHOENIX			
Cpe 6	3376	3408	3338
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	3873	3912	3834
81 VOLKSWAGEN RABBIT			
2-Dr Htchbk	3131	3162	3100
82 DATSUN			
210 2 Dr Std Sdn	3322	3355	3290
Sentra 2 Dr Std Sdn	3681	3717	3644
Stanza Hbk 4 Dr Dlx	4804	4852	4757
81 DATSUN			
210 Std 2 Dr	2761	2789	2733
510 2 Dr Sdn	3519	3555	3485
810 DL 4 Dr	5412	5466	5357
82 TOYOTA			
Corolla Sedan 2 Dr	4292	4336	4249
Celica St Cpe	5572	5627	5516
Corona Sdn Lux 4 Dr	5662	5719	5606
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3434	3469	3400
Celica St Spt Cpe	4252	4294	4210
Corona Sdn 4 Dr DLK	3881	3919	3843

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automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Factory Fleet Outlook

Unveiling the '85s: Domestic Wrap-Up

OCTOBER 1984 VOL. 23, NO. 12

automotive FLEET

THE MANAGEMENT MAGAZINE FOR CAR
AND LIGHT TRUCK FLEET OPERATORS

Influencing over 3.6 million cars and 1.6 million light trucks and vans in leasing, rental, business, government, taxi, police, utility, and driving schools.

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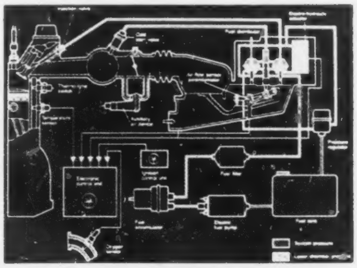

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On our cover: The fleet-minded dealer is an important part of the equation when it comes time for the fleet manager to acquire new models. Here, Ron Vogt of Bryant Pontiac teams up with Jack Fay, fleet manager at Transamerica.

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READER UPDATE

Calendar

OCTOBER

1-3 — Truck Body & Equipment Assn. Meeting and Exhibit, Las Vegas, NV.

4-6 — Alliance of State CATRALAs, Harrah's Hotel, Lake Tahoe, CA.

10-14 — International Taxicab Assn., Annual Meeting & Exhibit, Westin Hotel, Chicago, IL.

17-19 — Basic Principles of Fleet Management Course, National Association of Fleet Administrators, Hyatt Regency, Vancouver, British Columbia.

17-21 — National Auto Auction Association Annual Meeting, Gatlinburg, TN.

20-25 — International Assn. of Chiefs of Police, Salt Lake City, UT.

25-26 — Vehicle Maintenance Management Seminar, New Jersey Institute of Technology, Travel Lodge, Mt. Laurel, NJ.

NOVEMBER

7-9 — Municipal Leasing Seminar, American Association of Equipment Lessors, Fairmont Hotel, Denver, CO.

8 — National Highway Users Federation, Madison Hotel, Washington, D.C.

12-14 —Accountants Seminar, American Association of Equipment Lessors, Fairmont Hotel, Dallas, TX.

DECEMBER

9-10 — *Limousine and Chauffeur* show and conference, Caesar's Hotel, Atlantic City, NJ.

Gas Prices

	UNLEADED	
	Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Little Rock, AR	139.3	113.4
Stockton, CA	154.4	123.9
Denver, CO	144.7	117.4
Washington, DC	137.7	116.9
Miami, FL	147.0	115.1
Atlanta, GA	137.5	114.0
Honolulu, HI	160.5	147.3
Rockford, IL	149.5	124.9
Louisville, KY	144.9	116.9
Worcester, MA	118.9	108.9
Reno, NV	145.9	123.4
New York, NY	127.9	113.9
Beaumont, TX	145.4	112.4
Yakima, WA	151.9	125.4
Flagstaff, AZ	151.4	127.4

Survey conducted during the first five working days of August, 1984.
Supplied by Runzheimer and Company, Inc. Runzheimer Park, Rochester, WI.

NAFA's Survey of Fleets' New-Car Acquisitions

The continuing move to mid-size units is well-documented in the survey. In the '83 model year, 26 percent of the new car acquisitions were mid-size units; in '84, this number rose to 35 percent, and for '85 it will increase to 54 percent of the new car orders.

A total of 250 fleets — 197 sales and service fleets, along with 17 public utility fleets and 36 government fleets — participated in the survey. These fleets operate a total of 192,245 passenger cars. Presented here are a number of market segments that will be of interest to Automotive Fleet *readers.*

The responding fleets plan to acquire the same percentage of new vehicles in the '85 model year as they did in '83 and '84 — 37 percent of their total units.

In addition to the shift away from compacts and sub-compacts, the survey reveals a substantial jump in the number of large cars that will be ordered in '85. However, it must be noted that this category includes vans.

Twenty-nine sales and service fleets say they plan to order some new mini-vans during the coming model year, although some fleet managers expressed doubts about their availability.

Manufacturing-Industrial Group

The manufacturing-industrial group consists of 29 fleets operating 33,313 passenger cars (10,067 company-owned and 23,246 leased). The current composition of these fleets is 63 percent compacts, 31 percent mid-size cars, five percent large cars, and less than one-half of one percent subcompacts. During the '84 model year these fleets acquired 10,892 new cars.

The fleets in the manufacturing-industrial group plan to acquire 13,666 new vehicles during the '85 model year. No fleet in the group will lease or purchase any subcompacts in the coming model year. Of the new-car orders, 47 percent will be compacts, 50 percent mid-size cars, and three percent large cars. Nearly 70 percent of all new-car orders will be for middle or top-of-the-line vehicles.

Note: This group includes one extremely large fleet that plans to acquire 5,000 new-generation vans during the '85 model year. These vehicles are not included in the overall breakdown of new vehicle acquisitions in order not to distort the results.

Four fleets in the group plan basic changes in their vehicle policies for '85. One fleet is switching to mini-vans; one is switching from mid-size to compact cars, while the other two are switching from compacts to mid-size cars.

Twelve fleets report they intend to order some of the new vans — about two percent of the total new car orders for '85, although some expressed reservations about their availability. Seventy-one percent of the new car orders will be four-door sedans, with station wagons accounting for 19 percent of the new vehicle orders. Four percent of the new cars will be five-door hatchbacks, with three percent of the orders for two-door sedans. Sport models and three-door hatchbacks each will account for less than one-half of one percent of the orders.

Six fleets in the group said they plan to order some specialty cars in '85; two fleets plan to order a handful of imports, while six fleets say they have some imports already in service.

Two fleets are making basic changes in the engines ordered for new cars — from six- to four-cylinder power plants. Five fleets in the group report they plan to equip at least some of the '85 models with manual transmissions.

Three-fourths of the fleets acquiring compact cars equip them with four-cylinder engines; the same percentage order their mid-size cars with six-cylinder engines, while all but four fleets ordering any large cars specify an eight-cylinder engine for these vehicles.

Cruise control continues to increase in popularity as an option ordered on all cars. Among the 26 fleets planning to acquire mid-size cars, 18 will have cruise control on all of them. Of the 18 fleets ordering compacts, 10 will equip all cars in this category with cruise control.

Twenty-five of the 29 fleets in the

group permit the operator to choose the make of car desired (from a selector list), while 16 fleets give the driver a choice of model. In addition, 15 fleets allow the operator to add additional equipment at his or her own expense. The most common options available are power door locks, windows, and tilt steering wheel.

Four fleets in the group do not give the employee any voice (except choice of color) in the selection of the company-provided car.

Manufacturing-Consumer Group

The manufacturing-consumer group participating in the annual new-car acquisition survey consists of 21 fleets operating 13,340 passenger cars (5,820 leased and 7,520 company-owned).

The current composition of these fleets is two percent sub-compacts, 61 percent compacts, 32 percent mid-size, and five percent large cars. During the '84 model year these fleets leased or purchased 4,835 new vehicles.

The fleets in the manufacturing-consumer group plan to acquire 4,813 new cars during the '85 model year. Three percent of the new cars will be sub-compacts, 16 percent compacts, 77 percent mid-size, and four percent large cars.

Three fleets in the group are planning major changes in their new-car acquisition policies: one fleet is dropping sub-compacts; one is switching from large to mid-size cars, while the third is moving away from compacts to mid-size vehicles.

Eighty percent of the '85 models the group will order will be middle-line models. Top-of-the-line models will account for eight percent of the new car orders, with 12 percent for bottom-line units.

Six fleets in the group plan to order some new mini-vans — about four percent of the new car orders. Four-door sedans will account for 68 percent of the new models ordered. Station wagons will take 17 percent of the orders, two-door sedans six percent, and five-door hatchbacks five percent. No fleet in the group plans to order three-door hatchbacks or sport models.

Four fleets in the group say they will order some two-door specialty cars during the '85 model year. One fleet says it will order a few imports, and seven fleets say they already have a handful of import cars in service.

The pattern of engine use in this group is similar to all others — compacts have four-cylinder engines, most mid-size cars have six-cylinder engines, and almost all large cars have eight-cylinder engines.

Four fleets in the group are planning major changes in their engine specifications for '85: two are switching from sixes to four-cylinder engines, while the other two, conversely, are switching from fours to six-cylinder engines. One fleet in the manufacturing-consumer group plans to equip at least some of its new small cars with manual transmissions. One fleet reported that it is taking the final step in converting all its vehicles to be equipped with air conditioning as standard equipment.

Cruise control continues its growth as an option becoming standard equipment. It will be installed on all cars of 10 of the 12 fleets ordering large cars; 16 of the 20 fleets ordering mid-size cars, and in five of the nine fleets ordering compact cars. Two of the fleets ordering subcompacts are also specifying cruise control on all vehicles.

Seven fleets in the group give the operator no choice (except color) in the assigned fleet car. Of the 14 fleets permitting a choice, all allow the operator to select the make; eight give a choice of model, four permit the driver to select a desired engine, and one allows a choice of manual or automatic transmission. Twelve fleets permit the assigned driver to purchase additional optional equipment at his or her own expense.

U.S. Commercial Fleet Summary

				Current Composition								
Group	Number of Cars	Owned	Leased	Sub-Compact	Compact	Mid-Size	Large	1984 New Car Acquisitions	1985 Planned New Car Acquisitions	Sub-Compact	Compact	Mid-Size	Large
Drug & Cosmetics (32)	25,728	1,539	24,189	376	5,467	18,025	1,860	10,302	10,146	100	1,106	8,472	468
Food & Beverage (23)	12,378	9,109	3,269	60	3,199	8,531	588	5,067	4,866	9	1,492	3,200	166
Manufacturing—Consumer (21)	13,340	7,520	5,820	250	8,202	4,207	681	4,835	4,813	155	784	3,698	176
Manufacturing—Industrial (39)	33,313	10,067	23,246	211	21,084	10,283	1,755	10,882	13,666	—	4,110	4,290	268
Chemical & Petroleum (29)	23,479	16,507	7,972	—	2,590	16,360	5,529	6,778	7,542	—	1,462	4,718	1,362
Insurance (39)	34,762	21,048	13,714	4,437	20,098	9,400	777	12,677	12,236	1,915	5,627	4,433	261
Miscellaneous (14)	5,365	1,628	3,737	40	950	1,887	2,488	1,774	1,743	—	126	811	806
Totals (197)	149,365	67,418	81,947	5,424	61,570	68,693	13,678	52,325	55,012	2,179	14,707	29,622	8,504

"Chemical and Petroleum: 67 percent mid-size . . ."

Chemical and Petroleum Group

The chemical and petroleum group consists of 29 fleets operating 24,479 passenger cars (7,972 leased, 16,507 company-owned). The current composition of the fleets is 11 percent compacts, 67 percent mid-size, and 22 percent large cars. During the '84 model year the fleets in this group acquired 6,778 new cars. They plan to acquire 7,542 new vehicles during the '85 model year.

Two fleets in the chemical and petroleum group are making major changes in their acquisition policies: one is dropping both subcompacts and compacts, while the other is switching from mid-size to large cars because "mid-size cars are too low to the ground for off-road right-of-way inspections."

Sixty-three percent of the group's '85 new-car orders will be for mid-size units, 19 percent for compacts, and 18 percent for large cars. The chemical and petroleum group has the largest percentage of large cars

U.S. Composite Survey Fleet

1980-1984 Model Years
(Excluding Government & Public Utility Fleets)

	1980	1981	1982	1983	1984
Number of Cars in Fleet	794	750	762	632	758
Current Composition of fleet					
Sub-Compacts	24	15	23	12	30
Compacts	234	348	404	323	311
Mid-Size	429	420	282	240	349
Large	103	67	53	57	68
Actual Acquisitions in Previous Year	303	284	274	211	266
Planned New Car Acquisitions in Coming Model Year	308	302	284	232	279
Sub-compacts	31	21	19	2	11
Compacts	154	205	185	133	75
Mid-Size	108	67	74	81	151
Large	15	0	6	42	

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"Cruise control . . . becoming standard equipment."

of any U.S. commercial fleet group. No fleet in the group is planning to acquire any sub-compacts in the coming model year.

Only six percent of the group's '85 new cars will be top-of-the-line models, 66 percent will be middle-line models, while 27 percent will be bottom-line models (here, too, the chemical and petroleum group is the leader, as in large cars).

Only two fleets in the group are planning to acquire any new mini-vans, less than one-half of one percent of the total new-car acquisitions, with station wagons getting about five percent of the orders, and two-door sedans one percent. No fleet in the group is planning to order any three-door hatchbacks or sport models.

No fleet that responded to the new-car acquisition survey is planning to acquire any two-door specialty models. One fleet reports it will order a few imports, while two fleets have a few imports currently in service.

Two fleets in the group will change their engine specifications for '85 models — one is switching away from eights to four- and six-cylinder engines, while the other is switching from sixes to fours. Three fleets report they are planning to order some of their '85 models with manual transmissions.

At the present time, almost all compacts in this group's fleets are equipped with four-cylinder engines, 60 percent of the mid-size cars have six-cylinder engines, 25 percent have four-cylinder engines, and 15 percent have eight-cylinder engines. 19 of the 23 fleets ordering large cars will specify an eight-cylinder engine for those vehicles.

As in other groups, cruise control continues to grow as an option becoming standard equipment. Among 18 fleets ordering large cars, it will be standard on 14 of them. Of the 20 fleets planning to acquire mid-size cars, 13 will specify cruise control on all vehicles, as will four of the six fleets acquiring compact cars during the '85 model year.

Twenty-five of the 29 fleets in the chemical and petroleum group give the operator some voice in the new-vehicle selection process. 24 permit choice of the make of car, 12 allow a choice of model, eight permit the operator to choose the engine, three the transmission, and eight fleets permit extra equipment to be added at the employee's expense. Only four fleets in the group give the operator no voice in the selection of the company-provided car.

Drug and Cosmetic Group

Thirty-two fleets operating 25,728 passenger cars (24,189 leased, 1,539 company-owned) make up the drug and cosmetic group participating in the annual new-car acquisition survey. The current composition of these fleets is two percent subcompacts, 21 percent compacts, 70 percent mid-size, and seven percent large cars.

The fleets in the drug and cosmetic group acquired 10,302 new

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"Drug and Cosmetic: 83 percent mid-size . . ."

cars during the '84 model year. They plan to lease or purchase 10,146 new vehicles during the '85 model year. Of their new car acquisitions, one percent will be subcompacts, 11 percent will be compacts, 83 percent will be mid-size, and five percent will be large cars. No fleet in the group is planning any basic change in its fleet car policy, although the trend to mid-size cars is growing stronger.

Three fleets in the group are planning to add some new mini-vans during the coming model year. Sixty-six percent of the new car orders will be for four-door sedans, 23 percent for two-door sedans (the highest percentage of any group), five percent for station wagons, three percent for five-door hatchbacks, and one percent each for three-door hatchbacks and sport models. Nine fleets in the group plan to order two-door specialty models. Five fleets say they plan to acquire some imports in the '85 model year, while 11 fleets report they already have some imports in service.

Ninety-three percent of the group's new-car orders will be middle or top-of-the-line models, with only seven percent for bottom-line models.

Four cylinder engines are almost the unanimous choice of the group for their compact cars; while a large majority plan to use six-cylinder engines in their mid-size cars, and a smaller majority will equip their large cars with eight-cylinder engines.

Four fleets in the drug and cosmetic group are planning major engine changes for '85 — two are switching from six-cylinder engines to fours, while the other two are going the other way, switching from fours to sixes.

Two fleets in the group will be equipping at least some of the '85 compacts and mid-size cars with manual transmissions. In the drug and cosmetic group, often a trend-setter, tilt steering wheel is becoming almost as frequent an option ordered for every car as cruise control. For example, among the 18 fleets ordering large cars, 12 are ordering all cars with tilt wheel and 15 are equipping them with cruise control. Among the 31 fleets ordering mid-size cars, 11 plan to equip them with tilt wheel and 13 with cruise control.

Twenty-nine of the 32 fleets in the group give the operator a choice of make or model new car to be ordered; only three do not give the employee a voice in the new-car selection process. Of the 29 offering a choice, 25 fleets permit a choice of make of car, 21 allow the operator to select the model desired, two permit a choice of engine, and three the type of transmission desired. 26 fleets permit assigned operators to add additional items of optional equipment to the vehicle — at their personal expense.

Public Utilities

The public utility group con-

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sists of 17 fleets operating 21,432 passenger cars (19,110 company-owned, 2,322 leased). The current composition of these fleets is 25 percent subcompacts, 48 percent compacts, 24 percent mid-size, and three percent large cars. During the '84 model year these fleets acquired 2,524 new vehicles. They plan to acquire 3,408 passenger cars and vans during the '85 model year.

Four fleets in the public utility group are planning major changes in their car policies — one is switching to subcompacts from compacts, one is switching from large to compacts, one is moving from large to mid-size, and the final fleet is moving from mid-size to compact cars.

Seventy-three percent of the group's '85 new-car acquisitions will be compact cars, 13 percent will be subcompacts, 13 percent will be mid-size cars, and two percent large cars. More than 70 percent of the new-car acquisitions will be middle-line models, with only two percent of the vehicles top-of-the-line models.

Three fleets in the group are planning to order some new mini-vans during the coming year (only slightly more than one percent of the total new-car orders). Four-door sedans will account for 90 percent of the new car orders, with five-door hatchbacks accounting for eight percent. One percent of the orders will be for station wagons.

No fleet in the public utility group is planning to order any two-door specialty models or acquire any imports during the coming model year. However, two fleets did report they had some imports already in service.

The public utility fleets participating in the annual new-car acquisition survey followed the same pattern in engine use as the other segments of the survey: four-cylinder engines in subcompacts and compacts, six-cylinder engines in mid-size cars, and eight-cylinder engines in their few large cars.

Two fleets are planning major changes in their engine policy for '85. One is switching from fours to sixes in their mid-size cars, while the other is switching to the smaller four-cylinder engine. One fleet plans to order manual transmissions with its four-cylinder engine cars. One other fleet plans to decrease the number of cars it orders with air conditioning.

None of the public utility fleets permit the operator to add optional equipment to the specified fleet car, and none give the employee any choice in the vehicle selection.

The fleets ordering large cars equip them completely. Seven of the 11 fleets ordering these vehicles include tilt wheel as standard equipment, while eight order the cars with cruise control. Seven of the 13 fleets ordering mid-size vehicles equip all units with cruise control. AF

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New Tax Law's Effects Explained

Runzheimer's Analysis of Changes in Personal-Use Chargeback

"You ain't seen nothing yet" is possibly the best way to describe what the fleet future holds. In the past 18 months, there have been numerous fleet brouhahas in D.C.

First came the threat of an IRS-dictated change in the tax status of open-end leases, containing terminal rental adjustment clauses. Then came Gene Taylor and his band of dealers and captive congressmen, grousing loudly about the incentives that Detroit gives to volume purchasers, meaning fleets. Then came an odometer-tampering witch-hunt, ignited by 60 Minutes, *and having an impact today on fleets through lowered resale value for high-mileage vehicles.*

But in the lee of last summer's Deficit Reduction Act, the best way to describe the fleet outlook may be the phrase "You ain't seen nothing yet." Not only will we see changes in deductions for higher-priced autos, but the end of the year may also usher out the days of the company car as pure perc. Specifically, if an automobile is used less than 51 percent for business, the taxpayer will be denied any investment tax credit on the auto.

Of course, there will be additional changes, in the ACRS recovery allowances, for example, in mandatory, five-year straight-line depreciation, or in the way that business use must be verified and personal-use must be included as wages, with taxes withheld.

In the last few months, much of the discussion about the Deficit Tax has been limited to lawyers and accountants. In August, Automotive Fleet *published a bill analysis by AALA counsels, Volpe, Boskey, and Lyons. An analysis of the bill's effects on leasing companies and their clients by accountant Earl Holtzman and tax manager Larry Isaacson was published in the September* Automotive Fleet.

But it is time for the dialogue to be expanded. It is time, in fact, for every fleet manager in the country to realize that it is incumbent upon him or her to take a close look at company policies concerning personal-use.

With that in mind, Runzheimer Reports on Transportation *recently presented a three-part series called "Trends in Personal-Use Chargebacks." Penned by Runzheimer Editor Adlore Chaudlier, the report provides fleet-managers with some much needed perspective on the personal-use question. Germane sections of the report follow:*

Many fleet managers have to juggle various considerations to effectively deal with personal-use chargebacks. On occasion, they may wish they had three hands to keep everything coordinated. On one hand, the fleet manager must deftly handle the wishes of senior management and oftentimes keep a keen eye on the fluctuations of the bottom line. On the second hand, the wishes and demands of employees for the personal-use "perc" can be difficult to coordinate with company policy and IRS regulations. On the third hand, the fleet manager must know and understand the requirements of the Internal Revenue Service regarding personal use of company cars and ascertain that the company meets those requirements.

To bring some semblance of order to the increasing complexity of handling personal-use chargebacks and related policy, Runzheimer opened with survey data, presenting their biennial *Survey and Analysis of Business Car Policies and Costs*. And they followed that with helpful advice as to how fleet managers should respond to the changed personal-use atmosphere. And in a final section, they projected the effect of the new tax law on car fleets.

Personal-Use Survey Results

Runzheimer published its first biennial *Survey and Analysis of Business-Car Policies and Costs* in '75. To paint a precise picture of how personal-use charges have

". . .reaction of its drivers is to report fewer personal miles."

changed since then, it is helpful to compare data from that edition with the results of the '83-'84 survey.

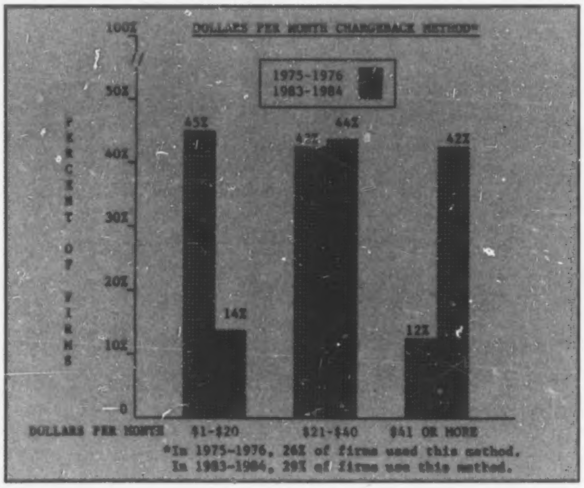
From this historical vantage point, we learn that roughly the same portion of survey respondents has continued to permit personal use for business automobiles (92 percent in '75-'76 and 90 percent in '83-'84). But while that has remained relatively constant, more firms now charge for personal use (60 percent in '75-'76 versus 75 percent in '83-'84).

Additionally, companies have made clear moves in the direction of placing limitations on personal use, such as allowing only the employee or spouse to drive or requiring that employees pay for their own gasoline (40 percent placing personal-use limitations in '75-'76 versus 72 percent doing so in '83-'84).

Runzheimer comments that although companies have not changed significantly in their willingness to allow personal use of business cars, economic considerations and growing awareness of IRS regulations regarding personal use have clearly motivated them to exact some charge for the benefit. Escalating car and fuel prices, in addition to recessionary pressures, pushed many companies to formulate chargeback policies.

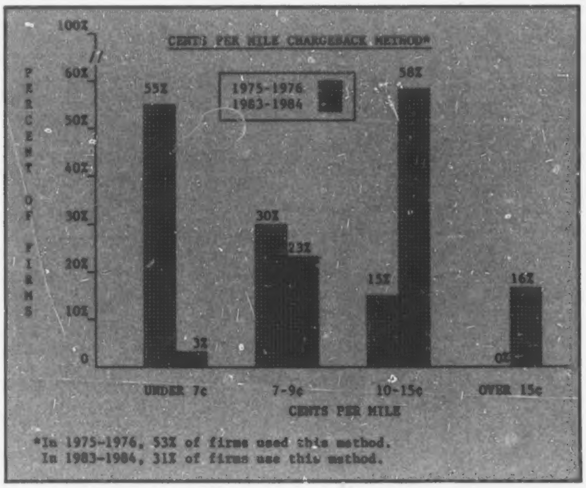
But that has not been the only story. When we examine the specific charges under the most popular methods of assessing chargebacks when the company provides the car, we discover a distinct dichotomy in attitudes — a continued winking of the eye on one hand and a conscious effort to properly charge for personal use on the other hand.

As fleet professionals are well aware, there are two common methods used by company-owned and company-leased fleets to charge employees for personal use: cents per mile and dollars per month. An accompanying bar chart details the extent to which cents-per-mile charges have risen since '75. At that time, not one respondent exceeded $.15 per mile, and the majority charged under $.07. In contrast, the '83-'84 analysis shows that 16 percent charge over $.15 per mile and only 3 percent charge under $.07 per mile.



DOLLARS PER MONTH CHARGEBACK METHOD*

*In 1975-1976, 26% of firms used this method.
In 1983-1984, 29% of firms use this method.



CENTS PER MILE CHARGEBACK METHOD*

*In 1975-1976, 53% of firms used this method.
In 1983-1984, 31% of firms use this method.

Runzheimer again comments: Some companies have sought to meet the escalation in fleet ownership and operating costs by raising their cents-per-mile charges. However, the extreme range in charges verifies that different companies approach personal use in different ways, that is, some employers lightly dip into the wallets of their employees, choosing to overtly treat personal use as a fringe benefit. They typically charge a relatively nominal sum to meet the requirements of the Internal Revenue Service. Apparently, other companies do not care to provide personal use of a company car as a fringe benefit and thus exact higher amounts.

Of course the key question is: Do employees report personal miles as honestly under higher per-mile charges? Or, to put it another way, do higher rates mean companies receive greater personal-use reimbursement commensurate with the rate?

Answer: Most companies that have raised their per-mile charges are knowingly not extracting any more from their employees than they were under their lower per-mile charges because, when a company raises its per-mile chargeback, the reaction of its drivers is to report fewer personal miles. When companies raise their per-mile chargeback, they are inadvertently creating a corporate incentive program, motivating drivers to understate their actual mileage.

In sum, a cents-per-mile chargeback is outmoded for firms that wish to properly assess employees for the personal value of the company car. The incentive is obviously for the employee to report as few personal miles as possible; the employee who reports the fewest receives the highest reward.

The second dollars-per-month pattern reveals the same pattern as the first: Of companies charging $41 per month or more, we find an increase of 30 percentage points between '75 and '84. Although the dollars charged per month have risen, for most companies the rates only partly compensate for increased ownership and operating costs.

"...a number of companies perceive personal use as a perc."

Annual Fringe Benefit Values to Employees of a Representative Executive Car 1973-1984

	Total Annual Cost		Annual Fringe Benefit Value		
Year	Operating	Ownership	80%*	20%*	0%*
1973	$ 728	$1,214	$ 562	$ 998	$1,942
1974	1,043	1,362	675	1,301	2,405
1975	990	1,399	677	1,271	2,389
1976	960	1,448	688	1,264	2,408
1977	923	1,461	685	1,239	2,384
1978	855	1,503	686	1,199	2,358
1979	1,073	1,758	817	1,460	2,831
1980	1,268	1,989	935	1,686	3,257
1981	1,388	2,489	1,130	1,963	3,877
1982	1,365	2,727	1,207	2,026	4,092
1983	1,418	2,820	1,250	2,101	4,238
1984	1,395	2,889	1,269	2,106	4,284

Basis: Buick Regal 2-door of model year equipped with AT, PS, PDB, AC, AM/FM stereo, cruise control, tinted glass, power windows and door locks; 1973-1977 models have 350 CID engine; 1978 has 305 CID engine; 1979 has 301 engine; 1980-1982 have 321 CID engine; 1983-1984 have 231 CID. Operating expenses include oil maintenance, tires, and fuel (using July 1 prices of respective years). Ownership expenses include licensing, depreciation based on a vehicle retention cycle of 4 years/60,000 miles, financing, taxes, and insurance. The 80 percent FBV based on 80 percent business mileage/240 working days. The 20 percent FBV based on 20 percent business mileage/240 days. The 0 percent FBV represents total perquisite.

*Percentage of business use.

Indeed, per-month charges fail to totally reimburse a company for operating expenses, which means that drivers realize a significant fringe benefit value from personal use of company cars.

In summary, Runzheimer believes to have isolated three trends in personal use of company cars: First, more and more companies are exacting chargebacks for the personal use of their cars by employees. Second, more and more companies that allow personal use of their cars are placing limitations or restrictions on that use. And third, more and more companies that allow personal use of their cars are raising the chargeback amounts.

All that, however, is essentially an analysis of personal-use chargeback trends before July 18 of this year, when the president signed into law the 1984 Tax Bill, which House and Senate conferees had approved on June 23. Among other things, the Deficit Reduction Act of '84 puts teeth into already established expectations on the part of federal government regarding the lawful reporting of the fringe-benefit value of personal use of a company car. Consequently, the act "encourages" many companies to change their directions toward personal-use chargebacks, to follow a straight and narrow path of delineating business from personal use. Moreover, the act bites into the bottom lines of corporations that provide executives with a corporate car — if the majority of that use is not for business purposes, if the value of the vehicle exceeds roughly $16,000, and if the travel expense

Fringe Benefit Values to Employees in Selected Cities

	Total Annual Cost		Annual Fringe Benefit Value		
City	Operating	Ownership	80%*	20%*	0%*
Topeka, KS	$1,740	$3,599	$1,581	$2,625	$5,399
Portland, ME	1,680	3,888	1,667	2,675	5,568
San Jose, CA	1,980	4,022	1,774	2,962	6,002

Basis: 1984 Buick Riviera 2-door equipped with AT, PS, PDB, AC, AM/FM stereo, cruise control, tinted glass, power windows and power door locks. Operating expenses include oil, maintenance, tires, and fuel. Ownership expenses include licensing, depreciation based on a vehicle retention cycle of 4 years/60,000 miles, financing, taxes, and insurance.

*Percentage of business use.

". . .more companies are reversing the chargeback amount."

reporting does not require adequate contemporaneous record-keeping.

Runzheimer, therefore, specifically considers the possible changes in direction that the Deficit Reduction Act may cause in personal-use chargebacks for some companies and drivers.

Today, companies generally choose one of three roads when developing corporate policy on personal use. The two smallest groups of companies take the less travelled routes that run in opposite directions. They either absolutely refuse personal use of company cars or give free rein to personal use and charge back little, if any, of the related ownership and operating expenses. In the former situation, the companies clearly view the company-provided car strictly as a business tool; in the latter situation, the companies overtly treat personal use of a company car as a perquisite.

Most companies follow a middle road on personal use, charging back a portion of the ownership and operating expenses incurred by the drivers. But even along this route, of course, a number of companies perceive personal use as a perc and either establish high per-mile chargebacks that motivate drivers to understate their personal-use mileage or merely set low chargeback rates that drivers will translate into a personal-use perc.

Runzheimer comments that in the eyes of the Internal Revenue Service, far too many companies have been passing the fringe benefit of personal use, without adequate chargebacks "under the table" to their drivers. These companies usually stand behind inadequately documented personal-use chargebacks or rates set so low that one quickly recognizes the apparent attempt to recover ownership and operating costs as a token, a gesture to placate tax auditors. The IRS has sought to gain control over such obfuscation for some time. And now under the Deficit Reduction Act of '84, the IRS stands a good chance of getting companies' and drivers' hands "above the table" so that the personal-use cards will be visible to all players.

Personal Use Under the 1984 Tax Act

The provisions of the Deficit Reduction Act of 1984 do not directly deal with the computation of a personal-use charge. However, the act does call for companies and their drivers to keep "contemporaneous" records. That translates into drivers writing down trip information at the moment they conclude their trips, rather than recreating a record of the trip at a later date. This trip log — specifying date, time, name of person visited, purpose of call, and mileage driven — will serve to verify and justify the claim that the vehicle was indeed used for business purposes.

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"...more companies will improve their record keeping."

Not only does the Act call for more timely record-keeping, it also stipulates that tax preparers must inform their clients of the record-keeping requirement. In turn, taxpayers must certify to their tax preparers that such records do exist. If an audit reveals that such records do not exist, the taxpayer will be subject to a five-percent negligence penalty based on the underpayment of the tax.

Runzheimer comments that the point is that, even though the Act does not specifically address personal use chargebacks, the IRS will use the new law to enforce more reasonable charges for such use of company-provided automobiles. Because companies will be pinpointing the precise percentage of business use of their automobiles, the remainder of use logically falls into the "personal" category. With specific personal use percentages and its own standards (once formulated) in hand, the IRS will be in a position to evaluate whether the chargebacks calculated by companies actually cover the fringe benefit value of personal use.

Fleet professionals with whom Runzheimer spoke, since stipulations of the Act had been made available, believe that one of its main effects will be "the reduction of employee abuse of personal use."

And to live up to the record-keeping requirements of the Act, many companies are now reviewing their personal use policies and procedures with the new tax law uppermost in mind.

So we arrive at several trends in personal-use chargebacks which we believe will unfold in the near future:

1. More and more companies will improve their record-keeping on business vs. personal use of company-provided cars.
2. More and more companies will raise their personal use chargebacks to assure that no undue fringe benefit accrues to drivers.
3. More and more companies will develop a combination chargeback method (both cents-per-mile and dollars-per month/week), the most accurate means of recovering ownership and operating costs.

Because so many companies did not charge back, the IRS will now charge ahead, riding on the requirements of the Deficit Reduction Act of 1984. The personal use perc is being reined in. Soon, a great many companies will be following the same central route in dealing with personal use chargebacks, and the IRS will be leading the way.

In addition to the paths previously pointed out, some companies may take yet another direction to determine personal use charges which the law may possibly allow; namely, charging for personal miles at the statutory rate (20.5 cents per mile). Even in these instances, however, for each vehicle, the IRS will assuredly require records designating the total annual mileage (supported by odometer readings) less the business miles properly ac-

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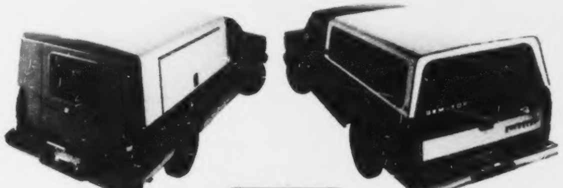

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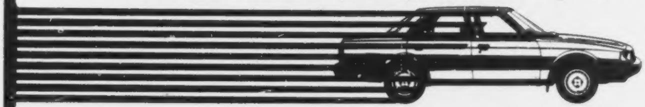

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counted for in travel expense reports to the employer. One possible problem with this approach is that some employees might tamper with (or attempt to tamper with) the odometers. A workable solution to this problem is regular and frequent odometer readings.

Runzheimer recommends that the time has come for all fleet managers and companies which allow personal use:

- to review all their related policies.
- to determine whether the company has an adequate system to meet the record-keeping requirements of the IRS regarding personal vs. business use. Setting up a "contemporaneous" record-keeping system may prove a nuisance, but rushing to create diaries at the end of a tax year won't fool agents who will be looking for such obvious attempts to sidestep the law. Moreover, a company will surely lose a good tax preparer if it claims to have adequate records, attests to that fact, and the IRS discovers the opposite.
- to evaluate whether the personal use chargeback is fair in the eyes of the IRS as well as the employee. To accurately and equitably charge back ownership and operating expenses to the drivers, companies should immediately take two steps:

1. Determine for each model car the fringe benefit value involved at various usage levels and in the specific territories in which each car is driven.
2. Institute a combination charge back method (both cents-per- mile and dollars per month/week) rather than relying on an either/or approach.

Finally, you and your peers should turn the opportunity provided by the Internal Revenue Service to your advantage by taking hold of the compounded complexities involving personal use of company cars.

Whether your drivers like it or not, the IRS has given you a legal argument to cut costs by assessing chargeback rates which, most likely, should have been paid all along. Be sure you can show the fruits

". . .executive cars represent a good value. . ."

of an effective personal-use record-keeping system which meets the requirements of the Act and the chargeback rate you establish. Start now by tabulating the ownership and operating costs your fleet will experience in 1984. After the new system and rate have been in place for a year (it must be in operation by January 1985) and the company has been equitably reimbursed by the drivers for the personal use of their company-provided cars, let senior management know the hard-won savings your efforts made possible.

If you already have suitable record-keeping procedures and an appropriate chargeback rate in place, let your senior management know that you've been ahead of the game, that you've not only been controlling fleet costs with appropriate personal use policies and procedures but that the company need not race to comply with the requirements of the new law. While everyone else charges to catch up, this will be a good time to pause, take a deep breath, and pat yourself on the back.

Trends in Executive Fleet Car Policies

To put executive fleet car policies in perspective, we first turn to data from Runzheimer's 1976-76 *Survey and Analysis of Business Car Policies and Costs* and to the most recent edition, the 1983-84 *Survey and Analysis.*

The extent to which company-provided cars comprise part of the benefit package showed an increase of 11 percentage points between 1975 and 1983. Runzheimer comments that one explanation for this increase is that executive cars generally represent a good value for corporations because the benefit costs less as a nontaxable item than pretax pay would. As we conduct future surveys, however, we may find that the Deficit Reduction Act of 1984 has reduced the willingness of corporations to underwrite the company-car perc for executives. The relative stability in the types of cars provided executives, as characterized by our survey results, partly contributes to the push in that direction.

Between 1975 and 1983, company-provided executive cars in the luxury and standard/full-size categories decreased a slim 10 percentage points, in the aggregate, a significant contrast to the recent dramatic fleet trend to downsize.

Executive fleet-car decisions typically descend from the top corporate officers. Clearly, like members of Congress voting themselves a pay raise, senior management has, to a large extent, elected to hold the line on executive car-sizes at the standard (today's full-size) or luxury levels.

However, in the intermediate, compact, and sub-compact categories, we do find some sign of executive response to recent economic pressures. Runzheimer comments that implementing a policy to

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". . .the precise value of the benefit remains a mystery."

downsize a fleet typically reflects corporate cost-control efforts. But holding to the larger-size and luxury-type executive cars may well represent the same bottom line perspective, that is, providing the car may cut less into a company's bottom line than raising an executive's taxable compensation. At this point, however, a key issue is whether corporations know the fringe benefit value of the car and factor it into their executive's total compensation.

According to the 1983-84 *Survey & Analysis*, far too many companies — over one-third — fail to even calculate the value of their company-provided cars. The 1975-76 survey did not ask this question.

Runzheimer comments that this can only mean that even when a company recognizes the benefit as employee income for tax purposes, the precise value of the benefit remains a mystery to both the company and the employee. And under the new tax law, the IRS will surely pronounce anethema upon all such mysteries involving taxes. Moreover, in these cases, companies are breaking a rigorous rule of employee benefits — failing to draw attention to all the non-compensation benefits the company offers, failing to fully communicate to their employees all the values they receive, such as medical, dental, and life insurance benefits, in addition to their salary. An employee can not appreciate the value of a benefit unless the company advertises what it is.

Runzheimer recommends that fleet managers in companies where such calculations have not been part of corporate doctrine should take immediate steps to pinpoint the fringe value benefit of each car in the executive portion of the fleet.

Executive Car Fleets Under the New Tax Act

Whose toes are getting stepped on most heavily as a result of the new tax act: companies which provide corporate executives with cars, corporate executives who enjoy the perc, fleet lessors who provide executive cars to their lessees, or manufacturers of executive cars?

To answer this question, we checked into the evaluations of tax experts, auto manufacturers, and lessors.

First, what exactly is lost in tax deductions on cars used 50% or less for business? To get a clear picture, we must note the deductions when a vehicle is used more than 50% for business:

a) Maximum investment tax credit of $1,000.

b) Depreciation to a maximum of $4,000 in year one.

c) Depreciation to a maximum of $6,000 in year two and all subsequent years in which the owner operates the vehicle.

One overall result of the deduction caps is that vehicles costing in excess of $16,000 will take longer to write off than in the past. Thus, the $109,000 Rolls Royce driven by

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"...chargebacks must account for the influence of geography..."

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Now, if the "contemporaneous" records (required by the new tax law) kept by the executive driver of a company-provided car show that it fails to pass the 50% business use test:

A) Absolutely no investment tax credit can be claimed.

B) Depreciation must be claimed on a straight line basis, which means that a maximum tax write-off must be spread over six years at a rate of 10% the first and last years and 20% during the intervening years.

Runzheimer comments that regarding the contemporaneous records required to support the business-use percentage, we hasten to clarify and emphasize what type of conceptual parameters will apply. Specifically, the *Congressional Record*, in its notes to the Treasury, recommends that the Internal Revenue Service recognize time, not merely mileage, to determine business use.

Fringe Benefit Value: 1973-1984

The accompanying table shows that, although the increase from 1983 to 1984 in the total Fringe Benefit Value (FBV) of an executive car (the Buick Regal, a conservative choice) comes in at a modest 1 percent, from 1973 to 1984 the FBV soared 121 percent. With the current total FBV standing at $4,284 annually over a four-year/60,000-mile replacement cycle, companies cannot ignore communicating the value of the benefit to their executives. More importantly, however, companies should be able to pinpoint this cost in order to establish accurate and equitable personal use chargebacks. Although this fact has always held true, the Deficit Reduction Act of 1984 makes it far more critical.

The FBV is also a key element in making a salary adjustment for a driver whose company car is taken away because of transfer, promotion, reassignment, or a change in executive car policy.

The Influence of Geography on Fringe Benefit Values

Whether communicating the FBV to executives with company-provided cars or using it to make salary adjustments, fleet managers should be aware of the extent to which values differ according to geography. Two executives with comparable vehicles running in different parts of the country realize different cost values, For example, in San Jose, CA, the total perquisite amounts to $6,002 annually over a 4-year/60,000 mile replacement cycle compared to $5,399 in Topeka, KS, a difference of $603 per year. To be accurate and equitable, personal use chargebacks must account for the influence of geography on the fringe benefit value which executives receive from their company-provided car.

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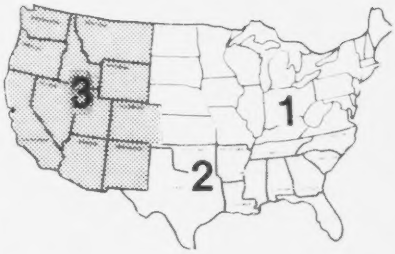
PRICING UPDATE

Used Cars

The following are average car prices for the period ending August 29, 1984. Prices are based on wholesale activity at major dealer auctions across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically on IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE Model	Zone 1	Zone 2	Zone3
82 AMC CONCORD			
Sdn 6-4 Dr	3793	3832	3757
Sta Wgn 30	3991	4033	3951
81 AMC CONCORD			
Sdn 6-4 Dr	3050	3082	3020
Sta Wgn	3211	3243	3177
82 BUICK SKYLARK			
Sdn	4510	4556	4466
81 BUICK SKYLARK			
Sdn	3701	3741	3667
82 BUICK REGAL			
Turbo Cpe	6435	6499	6372
Cpe	6236	6298	6174
81 BUICK REGAL			
Turbo Cpe	5725	5783	5668
Cpe	5526	5581	5470
82 BUICK LESABRE			
Sdn	6846	6914	6776
81 BUICK LESABRE			
Sdn	5307	5360	5254
82 CADILLAC			
Cpe DeVille	10329	10433	10227
Sdn DeVille	10265	10368	10165
81 CADILLAC			
Cpe DeVille	7774	7852	7695
Sdn DeVille	7721	7798	7644
82 CHEVY			
Chvt Htchbk 2-Dr	3061	3092	3030
Chvt Htchbk 4-Dr	3131	3164	3103
Camaro Cpe 8	6730	6800	6667
81 CHEVY			
Chvt Htchbk 2-Dr	2390	2412	2367
Chvt Htchbk 4-Dr	2442	2466	2417
Camaro Cpe 8	5286	5338	5234
82 CHEVY CITATION			
Cpe 6	3542	3578	3507
81 CHEVY CITATION			
Cpe 6	2948	2979	2917
82 CHEVY MALIBU			
Clas Sdn	5273	5327	5221
Clas Sta Wgn	5501	5562	5449
81 CHEVY MALIBU			
Cpe	4103	4142	4062
Sdn	4032	4071	3990
Clas Cpe	4387	4431	4344
82 CHEVY MONTE CARLO			
Cpe	5930	5993	5872
81 CHEVY MONTE CARLO			
Cpe	5269	5322	5216
82 CHEVY IMPALA			
Sdn	5729	5786	5670
Imp Wgn 9	5954	6013	5895
81 CHEVY IMPALA			
Sdn	4595	4639	4547
Cpe	4617	4658	4568
Wgn 9	4784	4831	4735
82 CHRYSLER			
LeBaron Sdn	5573	5629	5518
81 CHRYSLER			
Npt Sdn	4865	4912	4817
82 DODGE OMNI			
4 Dr Custom Htchbk	3522.	3556	3486
81 DODGE OMNI			
4 Dr Custom Htchbk	2734	2760	2707
82 DODGE ARIES			
Cpe	4213	4255	4169
81 DODGE ARIES			
Sdn	3567	3605	3530
82 DODGE DIPLOMAT			
Sln Sdn	4725	4771	4678
81 DODGE DIPLOMAT			
Sln Cpe	4018	4058	3977
Sln Sdn	4018	4058	3977
82 FORD FAIRMONT			
Futura Sdn 4 Dr	3930	3968	3890
81 FORD FAIRMONT			
Sdn 4 Dr	3088	3118	3058
82 FORD MUSTANG			
Cpe 4-L	4282	4327	4241
81 FORD MUSTANG			
Cpe 4	3596	3634	3560
82 FORD GRANADA			
Sdn 6-L	4567	4614	4520
81 FORD GRANADA			
Sdn 8-L	3743	3781	3707
82 FORD LTD			
Sdn	6161	6118	5999
81 FORD LTD			
Sdn	4856	4903	4806
81 FORD ESCORT			
Sdn 4 Dr	2664	2691	2640
82 FORD CROWN VIC			
Sdn	6891	6961	6821
81 FORD CROWN VIC			
Sdn	5587	5638	5529
82 FORD THUNDERBIRD			
Cpe	5984	6043	5922
81 FORD THUNDERBIRD			
Cpe	5218	5264	5164
82 LINCOLN CONTINENTAL			
Sdn	12000	12118	11880
Mark VI Cpe	12297	12420	12174
81 LINCOLN CONTINENTAL			
Sdn Designer	11442	11557	11328
Mark VI Cpe	10302	10405	10198
82 MERCURY COUGAR			
GS Cpe	4610	4655	4583
Sdn	4628	4674	4583
81 MERCURY COUGAR			
Cpe	3777	3817	3740
Sdn	3777	3817	3740
81 MERCURY ZEPHYR			
Sdn 2 Dr	3115	3148	3085
82 MERCURY LYNX			
HtchBk 3-Dr	3280	3315	3250
82 MERCURY MARQUIS			
Sdn	6402	6464	6339
81 MERCURY MARQUIS			
Cpe Brougham	5830	5893	5774
Sdn	5155	5208	5105
Wgn-2	5267	5321	5215
82 OLDS CIERA			
Cpe	5719	5778	5662
Sdn	5798	5857	5742
82 OLDS CUTLASS SUPREME			
Cpe	6303	6368	6242
Sdn	6062	6123	6003
81 OLDS CUTLASS			
Sdn	5155	5206	5103
Sup Cpe	5526	5581	5470
82 OLDS 88			
Sdn Royale 88	6929	6996	6859
Cpe Royale	6951	7018	6881
81 PLYMOUTH HORIZON			
4 Dr Htchbk	2686	2715	2663
82 PLYMOUTH RELIANT			
Cpe	4199	4242	4160
81 PLYMOUTH RELIANT			
Cpe	3555	3589	3520
81 PONTIAC FIREBIRD			
Cpe 8	5338	5394	5285
81 PONTIAC LEMANS			
Cpe 8	4295	4339	4252
82 PONTIAC PHOENIX			
Cpe	4175	4217	4134
Htchbk Sdn	4175	4217	4134
81 PONTIAC PHOENIX			
Cpe 6	3352	3384	3315
81 PONTIAC CATALINA			
Sdn	4837	4885	4788
Bonneville Sdn	5374	5431	5324
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	3776	3814	3738
81 VOLKSWAGEN RABBIT			
2-Dr Htchbk	2943	2972	2914
82 DATSUN			
210 2 Dr Std Sdn	3256	3288	3224
Sentra 2 Dr Std Sdn	3607	3643	3571
Stanza Hbk 4 Dr Dlx	4708	4755	4662
81 DATSUN			
210 Std 2 Dr	2678	2705	2651
510 2 Dr Sdn	3413	3448	3380
810 DL 4 Dr	5250	5302	5196
82 TOYOTA			
Corolla Sedan 2 Dr	4206	4249	4164
Celica St Cpe	5572	5627	5516
Corona Sdn Lux 4 Dr	5662	5719	5606
81 TOYOTA			
Corolla 2 Dr Sdn Dlx	3434	3469	3400
Celica St Spt Cpe	4252	4294	4210
Corona Sdn 4 Dr DLK	3881	3919	3843